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NOTE
The term 'Britain' is used informally in the *Survey of Current Affairs* to mean the United Kingdom of Great Britain and Northern Ireland. 'Great Britain' comprises England, Wales and Scotland.

Ministerial Changes

The Rt Hon Peter Walker, MBE, MP, tendered his resignation as Secretary of State for Wales on 4 May and has been succeeded by the Rt Hon David Hunt, MBE, MP (formerly Minister of State at the Department of the Environment – see p 128). As a result a number of new ministerial appointments were announced.

The new appointments are:

Department of the Environment

Minister of State (Minister for Local Government and Inner Cities)

Mr Michael Portillo, MP (former Minister of State, Department of Transport)

Department of Transport

Minister of State (Minister for Public Transport)

Mr Roger Freeman, MP (former Parliamentary Under-Secretary of State, Department of Health)

Department of Health

Parliamentary Under-Secretary of State

Mr Stephen Dorrell, MP (former Lord Commissioner of the Treasury – a Government Whip in the House of Commons)

HM Treasury

Lord Commissioner of the Treasury (Government Whip in the House of Commons)

Mr Michael Fallon, MP (former Assistant Whip)

Assistant Government Whip in the House of Commons

Mr Timothy Wood, MP

THE CABINET

Following the new appointment, the composition of the Cabinet is as follows:

Prime Minister, First Lord of the Treasury and Minister for the Civil Service

Rt Hon Margaret Thatcher, FRS, MP

Lord President of the Council and Leader of the House of Commons

Rt Hon Sir Geoffrey Howe, QC, MP

Lord Chancellor

Rt Hon The Lord Mackay of Clashfern

Secretary of State for Foreign and Commonwealth Affairs

Rt Hon Douglas Hurd, CBE, MP

Chancellor of the Exchequer

Rt Hon John Major, MP

Secretary of State for the Home Department

Rt Hon David Waddington, QC, MP

Secretary of State for Defence

Rt Hon Tom King, MP

Secretary of State for Trade and Industry

Rt Hon Nicholas Ridley, MP

Chancellor of the Duchy of Lancaster

Rt Hon Kenneth Baker, MP

Secretary of State for Health

Rt Hon Kenneth Clarke, QC, MP

Secretary of State for Education and Science

Rt Hon John MacGregor, OBE, MP

Secretary of State for Scotland

Rt Hon Malcolm Rifkind, QC, MP

Secretary of State for Transport

Rt Hon Cecil Parkinson, MP

Secretary of State for Energy

Rt Hon John Wakeham, MP

Lord Privy Seal and Leader of the House of Lords

Rt Hon The Lord Belstead

Secretary of State for Social Security

Rt Hon Antony Newton, OBE, MP

Secretary of State for the Environment

Rt Hon Christopher Patten, MP

Secretary of State for Northern Ireland

Rt Hon Peter Brooke, MP

Minister of Agriculture, Fisheries and Food

Rt Hon John Selwyn Gummer, MP

Chief Secretary to the Treasury

Rt Hon Norman Lamont, MP

Secretary of State for Employment

Rt Hon Michael Howard, QC, MP

Secretary of State for Wales
Rt Hon David Hunt, MBE, MP

For a full list of government ministers see COI reference paper *United Kingdom Government Ministers*, No 61/90/1.

International Crime Survey

England and Wales, Northern Ireland and Scotland are below the average in the incidence of all crime in Western Europe, North America and Australia, according to a major new international survey published in March.[1]

The survey took place in 1989 in the following countries – Australia, Belgium, Canada, England and Wales (grouped together as one country), the Federal Republic of Germany, Finland, France, the Netherlands, Northern Ireland, Norway, Scotland, Spain, Switzerland and the United States. The survey used tightly standardised methods regarding sampling, method of interview, questions asked and analysis of the data; approaches to interviewees were made by telephone. By asking respondents directly about offences they had experienced, the survey provided information about levels of crime that is different from the conventional one of offences recorded by the police. The numbers of those sampled in each country ranged from 1,000 to 5,300; the sample for most countries was 2,000.

Findings

Some 19·4 per cent of respondents in England and Wales said that they had experienced crime in 1988; the figures for Scotland and Northern Ireland were 18·6 per cent and 15·0 per cent respectively. These were below the average of 21·1 per cent for the 14 countries, and six countries showed higher levels ranging from 21·9 per cent in the Federal Republic of Germany to 28·1 per cent in Canada and 28·8 per cent in the United States.

Women respondents were asked about sexual incidents; 1·2 per cent in England and Wales and in Scotland reported that they had been victims and 1·8 per cent in Northern Ireland; only Finland (0·6 per cent) reported a lower level than England and Wales and Scotland.

England and Wales, Scotland and Northern Ireland all ranked low regarding assaults and threats; percentages of respondents reporting such offences were 1·9, 1·8 and 1·8 respectively; the average was 2·9 per cent and eight countries were above this average. Force was used in less than half of the incidents, with England and Wales recording the lowest victimisation rate (0·6 per cent) of all the countries for assaults with force; Scotland (1·0 per cent) and Northern Ireland (1·1 per cent) were also below the average of 1·5 per cent.

[1] *Experiences of Crime Across the World*. J. J. M. van Dijk, Pat Mayhew and Martin Killias. Kluwer Law and Taxation Publishers, Deventer, the Netherlands. £30. ISBN 90 6544 463 7.

The British countries had below average incidence of robbery; 0·7 per cent of respondents in England and Wales reported that they had been victims of this offence, as did 0·5 per cent of respondents in Scotland and Northern Ireland. The average was 0·9 per cent and four countries had higher levels than this.

Figures for burglary with entry show that those for England and Wales and the average were the same (2·1 per cent of respondents reporting this offence); the percentages for Scotland and Northern Ireland were 2·0 and 1·1 respectively.

The risk of car theft in England and Wales was relatively high, 2·4 per cent of owners reporting this offence. Only two countries showed higher levels. The figure for Northern Ireland was 2·2 per cent and that for Scotland 1·2 per cent; the average was 1·4 per cent. In contrast, England and Wales ranked very low in cases of motor cycle theft (0·8 per cent of owners reporting this offence). The highest figure was Scotland (7·1 per cent), and Northern Ireland, too, had a higher level (3·7 per cent) than the average (3·1 per cent). All three countries had below average levels of bicycle theft – 2·8 per cent of owners were victims of this offence in England and Wales, 3·2 per cent in Scotland and 3·5 per cent in Northern Ireland; the average was 4·4 per cent.

Victim satisfaction after reporting crimes to the police was high in England and Wales and in Scotland; of those reporting crimes, more than 70 per cent said that they were satisfied with the police response. The average was 65·5 per cent. The figure for Northern Ireland was 58·4 per cent.

A higher proportion of the public in England and Wales and Scotland than in Western Europe generally felt that the police did a good job in controlling crime in their area. The figure for England and Wales was 69·7 per cent, for Scotland 70·7 per cent and for Northern Ireland 63·0 per cent; the Western European average was 63·1 per cent.

Shorter Note

EXECUTIVE AGENCIES

The Minister of State for the Civil Service, Mr Richard Luce, announced in the House of Commons on 2 April the setting up of 18 new executive agencies under the Government's Next Steps initiative (see p 407, 1989, and p 4), bringing the total number of agencies to 30, employing some 66,000 staff. He reiterated that the aim of Next Steps was better value for money and better service to the public. Demanding performance targets were being set and the results from the agencies which had already been set up were encouraging.

As the Government wanted the public to feel the benefits of more responsive services quickly, its new objective was to see the Next Steps programme applied to at least half of the Civil Service by the end of 1991. Mr Luce expressed confidence that the agencies would deliver improved performance; he intended to publish annually a general report on the progress of the initiative and on the activities and

achievements of the agencies; the first report would be published later in 1990.

Mr Luce also announced an extension of the Next Steps principles to non-departmental public bodies (NDPBs). Their sponsoring departments would in future prepare a management statement for all new executive NDPBs. A similar approach would be applied selectively over a period to existing bodies.

The following executive agencies have been established since July 1989:

Building Research Establishment (Department of the Environment – DoE)
Central Office of Information
Central Veterinary Laboratory (Ministry of Agriculture, Fisheries and Food – MAFF)
Department of the Registers of Scotland (Scottish Office)
Driver and Vehicle Licensing Agency (Department of Transport – DTp)
Driving Standards Agency (DTp)
Employment Service (Department of Employment – DE)
Historic Royal Palaces (DoE)
Hydrographic Office (Ministry of Defence – MoD)
Information Technology Services Agency (Department of Social Security – DSS)
Insolvency Service (Department of Trade and Industry – DTI)
Intervention Board for Agricultural Produce
Laboratory of the Government Chemist (DTI)
Meteorological Office (MoD)
Natural Resources Institute (Overseas Development Administration)
Occupational Health Service (Office of the Minister for the Civil Service – OMCS)
Patent Office (DTI)
Radiocommunications Agency (DTI)
Royal Mint
Training and Employment Agency (Northern Ireland Civil Service)
Vehicle Certification Agency (DTp)
Veterinary Medicines Directorate (MAFF)

The following activities were publicly announced by the responsible ministers as under consideration for agency status at April 1990. Their progress varies, with some at a much more advanced and certain stage than others:

Cadw: Welsh Historic Monuments (Welsh Office)
Central Statistical Office
Civil Service Commission (OMCS)
Defence Accounts Organisation (MoD)
Defence Research Agency (MoD)
Forensic Science Service (Home Office)
Fuel Suppliers Branch (DoE/Property Services Agency)
Historic Buildings and Monuments (Scottish Office)
Land Registry
Military Survey (MoD)
National Engineering Laboratory (DTI)
National Physical Laboratory (DTI)
Ordnance Survey
Passport Office (Home Office)
Planning Inspectorate (DoE)
Property Holdings (DoE)
RAF Training (MoD)
Royal Parks (DoE)
Service Children's Schools (MoD)
Social Security Benefits (DSS)
Social Security Contributions (DSS)
Training Agency (DE)
Rating Division (Northern Ireland Civil Service)
Social Security Operations (Northern Ireland Civil Service)

Sources: Cabinet Office (Office of the Minister for the Civil Service) news release, 2.4.90; *Hansard*, Vol 170, No 84, written answers, cols 386-9.

Britain's Defence Policy

The North Atlantic Treaty Organisation has to maintain collective security and the basic elements of its flexible response strategy, including up-to-date and effective nuclear forces, in order to deter war and to react to developments taking place in a rapidly changing world, says the 1990 defence White Paper, published in April. The defence budget for 1990-91 is over £21,220 million.

THE WHITE PAPER

Introduction

In his introduction to the White Paper,[1] the Secretary of State for Defence, Mr Tom King, says that there are profound implications for European security following the dramatic changes in the Soviet Union and Eastern Europe (see pp 453-6, 1989, and pp 9-15, 103-5 and 130-1). Although these developments held out great hopes for the future of European security, it was not certain what the outcome would be. Britain's approach to defence is therefore based on the ability 'to respond to a range of possible outcomes, not just the one we hope to see. Our defence is an insurance policy, to make sure we are still covered even if things go wrong. We all have great hopes for the future but these hopes are not yet certainties.'

The next milestones, Mr King says, will be the signature and implementation of the Conventional Forces in Europe (CFE) agreement (see p 159). Although the present superiority of the Warsaw Pact over the North Atlantic Treaty Organisation (NATO) in conventional arms will be eliminated under such an agreement, the Soviet Union itself will retain significant conventional forces and substantial modern strategic and sub-strategic nuclear forces; it also currently maintains an extensive chemical warfare capability. 'In short, the Soviet Union is a military superpower and will remain so for the foreseeable future.'

However, the transition to a freer and more democratic society has been accompanied by great upheaval and uncertainty in the Soviet Union. These changing circumstances will have implications for the deployment and structure of British forces. 'The basic elements remain firm – the vital role of the Atlantic Alliance, and of the presence of United States forces in Europe as its military keystone; the need for nuclear weapons to help prevent war; the continuing value of a British contribution in Germany; and the importance of flexibility and versatility in our forces, for roles beyond as well as within NATO . . . While there may be opportunities for reductions in some areas, we are resolved to sustain modern and well-equipped forces adequate for whatever our security needs, and to provide the necessary resources for that purpose.' 'The future does look much brighter,' Mr King added, 'but dangers remain, and we must always ensure that our security is properly protected.'

NATO Strategy

The White Paper says that NATO[1] is a defensive alliance which aims to prevent war and maintain the security of its members at the lowest possible levels of arms. Since 1967, it has been guided by the Harmel Doctrine, which combines the maintenance of effective defences with measures to reduce international tension and encourage dialogue with the East, an approach reaffirmed by NATO's heads of State and Government in December 1989 (see pp 9-12). The Alliance's resolve and cohesion have created the conditions necessary for the dramatic changes that have taken place in Europe since 1989. NATO, for example, has argued that the East possessed a substantial superiority in conventional forces and a military doctrine geared to offensive operations which were a threat to Europe. The Soviet Union has acknowledged this by starting to implement unilateral reductions in armaments and by adopting a more defensive military doctrine. The Warsaw Pact countries are also co-operating in a range of arms control negotiations, as well as beginning a period of fundamental political change which NATO hopes will lead to 'the extension of democratic values throughout Europe'.

But in a fundamentally uncertain world, the White Paper points out, NATO continues to need collective security to take account of the military forces stationed in Europe and to pursue its strategy of flexible response designed to deter war of all kinds. This strategy requires all NATO countries 'to display a manifest determination to act jointly in defence of the Alliance, and to maintain the clear capability to respond to any form of potential military aggres-

[1] *Statement on the Defence Estimates 1990.* Vol 1. Cm 1022-I. HMSO, £7. ISBN 0 10 110222 4. Vol 2 (Defence Statistics). Cm 1022-II. HMSO, £7. ISBN 0 10 110223 2.

[1] NATO's 16 member countries are Belgium, Britain, Canada, Denmark, France, the Federal Republic of Germany, Greece, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Turkey and the United States. France, Iceland (which has no military forces) and Spain do not participate in NATO's integrated military structure. For further information see COI reference paper *Britain and NATO*, No 58/89.

sion, albeit at the lowest level of force that is necessary. It must also have the flexibility to prevent an attacker from predicting with certainty the precise character of NATO's response.' The purpose of this strategy is to convince an attacker that the risks run could far outweigh any possible gains.

Flexible response depends on three levels of defence, the White Paper explains: conventional forces of sufficient size and quality to prevent an aggressor achieving a quick and easy conventional victory; sub-strategic nuclear weapons, which enhance deterrence by providing a range of nuclear options short of a strategic nuclear exchange; and strategic nuclear forces, which remain the ultimate deterrent.

Conventional Arms Control

Conventional Forces in Europe

The CFE negotiations between all NATO and Warsaw Pact countries began in March 1989 when the participating states agreed on a mandate for 'a stable and secure balance of conventional ground forces at lower levels in the whole of Europe from the Atlantic to the Urals' (see pp 222-30, 1989).[1] In May 1989 NATO set itself the goal of signing a CFE agreement in 1990, with implementation by 1992-93.

At the negotiations, conducted largely on the basis of Western proposals, the two sides agreed that the treaty should provide reductions to a common ceiling in five categories of equipment, as well as limits on the number of United States and Soviet troops in the central region of Europe. The ceilings on equipment for each side would be 20,000 tanks, 28,000 armoured combat vehicles, 16,500 artillery, and 1,900 helicopters. The effect on Warsaw Pact forces would mean reductions of 29,500 in tanks, 25,900 in armoured combat vehicles, 26,000 in artillery, and 3,100 in helicopters. NATO would have to reduce its tanks by 4,000, armoured combat vehicles by 2,000, artillery by 1,500 and helicopters by 500, a reduction of some 10 to 15 per cent. No final agreement has been reached on the definition of the combat aircraft category, but NATO has proposed a ceiling of 4,700 combat aircraft plus an additional 500 interceptor aircraft for each side.

Both sides have also proposed additional subceilings in specific regions, limits on the amount of equipment stationed outside national territory and a limit on the proportion of total holdings which any one country would be able to possess. It has also been agreed that the final treaty should contain measures of verification and information exchange in order to increase openness, and to constrain the size and scope of military activities, in particular the ability of forces to concentrate and mobilise covertly. NATO has proposed highly intrusive verification measures, with the aim of ensuring a high degree of confidence that all parties comply with the terms of the treaty. The net effect of a treaty based on these lines 'would be to remove for all practical purposes the threat of a Soviet surprise attack on Western Europe'. The Soviet Union would still retain an offensive capability, but would no longer have (and could not recreate without breaching the treaty) the option of 'mounting large-scale offensive action against Western Europe along several axes at the same time'.

Confidence- and Security-building Measures

The implementation of the Stockholm agreement, signed by all 35 nations of the Conference on Security and Co-operation in Europe (CSCE) in 1986 (see pp 317-19, 1986), has continued to work well, the White Paper records, creating greater openness and predictability about military activities and helping to reduce mistrust and the risk of miscalculation at a time of tension. In 1989, 15 inspections took place under the agreement and six NATO and two Warsaw Pact exercises were observed, as well as two by neutral or non-aligned countries.

The aim of the negotiations on confidence- and security-building measures is to build on and enhance the Stockholm agreement: the West is trying to improve the arrangements for notifying military exercises and to lower the thresholds at which exercises can be observed. The compliance and verification provisions need to be strengthened in the West's view. The detailed proposals from the Eastern countries covering independent naval and air activities and for constraining exercises are complex issues, the White Paper points out, since any inspection and observation of air activities would be difficult to apply, while any measures agreed on naval activities should not weaken NATO's defences, which rely on long sea lines of communication.

The White Paper says that the Government strongly supports the Open Skies proposal, outlined by the US President, Mr George Bush, in May 1989 and accepted by NATO in December 1989 (see p 12). This plan, involving the whole of the territory of the two alliances, would allow countries to fly unarmed aircraft over each other's territory to observe military activity. Once the initiative is seen to be operating satisfactorily, consideration would have to be given to expanding the number of countries involved.

Control of Chemical Weapons

Although progress has been made at the 40-nation Conference on Disarmament in Geneva where negotiations are taking place for a comprehensive, global and effectively verifiable convention banning the development, production, possession and use of chemical weapons, a number of important issues, notably verification, remain to be resolved. Britain continues to play a leading role at the negotiations, tabling a paper on practice challenge inspection of military facilities in 1989 (see p 264, 1989).

The Soviet Union, the White Paper states, possesses the world's largest and most sophisticated chemical warfare (CW) capability. Progress has been made in bilateral talks between the United States and the Soviet Union, including a Memorandum of Understanding signed in September 1989, which provides for a two-phase experiment in data exchange and verification (see p 376, 1989). Joint papers on challenge inspection procedure and the order of destruction of CW stocks were also agreed. These developments, the White Paper says, are an important step towards a global ban, to which Britain and its NATO partners remain committed.

[1]For further information on arms control see COI reference pamphlet *Britain and Arms Control: A Chronology*, No 329/89.

President Bush's proposals made at the United Nations in September, as a further step towards a global CW ban, included an offer to cut US stocks by 80 per cent, provided that the Soviet Union reduced its much greater stock to the same level. He also offered to destroy 98 per cent of existing US stock by the eighth year of a convention, providing that the Soviet Union did the same, and to destroy the remainder over a further two years if all states capable of making chemical weapons joined the convention. In February 1990, after further bilateral discussions, the United States and the Soviet Union agreed on the framework for the elimination of chemical weapons, including:

– a commitment to the achievement of a global and effectively verifiable CW ban at the earliest date;

– a bilateral agreement, including the destruction of the bulk of their CW stocks to 'equal low levels', to be completed and signed at their May/June 1990 summit;

– co-operation on CW destruction technology and procedures;

– further reductions of their stocks to equal levels 'at a very small fraction' of their present holdings over the first eight years of the convention, with all remaining CW stocks being eliminated over the subsequent two years;

– all CW production to cease upon entry into force of the chemical weapons convention; and

– a common approach to the prevention of CW proliferation.

The British Government has welcomed this agreement, the White Paper says, which 'should give added impetus to the negotiations in Geneva and will help build the confidence necessary for the achievement of a global convention'.

Ballistic Missile and Chemical and Biological Warfare Proliferation

In one of a series of essays within the White Paper it is noted that in 1987 Britain, Canada, France, the Federal Republic of Germany, Italy, Japan, and the United States established the Missile Technology Control Regime, which aims to stop the proliferation of ballistic missiles with ranges greater than 300 km (186 miles) and capable of carrying warheads of 500 kg (1,100 lb) or more. In 1988 Spain joined the Regime.

The threat from ballistic missiles was highlighted during the war between Iran and Iraq when, in 1988, over 200 missiles were fired at their two respective capitals (see pp 253-5, 1987, and pp 267-8, 1988). A number of developing countries either possess or are developing short- and longer-range ballistic missiles. They present a particular threat to population centres, carry the risk that local conflicts could escalate to involve surrounding regions, and complicate the arms control process.

The essay stresses that the Regime is not intended to impede legitimate national space programmes, but these programmes could lead to the development of missiles. There is also a danger that some nations might attempt to develop nuclear or other warheads; some countries either have or are developing an offensive chemical warfare capability, while other countries have shown an interest in obtaining one. Export controls have made it more difficult and costly to do this, but they have not halted proliferation. The legitimate spread of biotechnology for scientific and economic purposes carries with it the potential for the diversion of equipment and expertise into biological warfare programmes.

Nuclear Arms Control

Strategic Forces

The United States and the Soviet Union have reaffirmed their commitment to reduce their strategic nuclear forces to 1,600 strategic offensive delivery systems and 6,000 warheads on each side, with sublimits of 4,900 ballistic missile warheads and 1,540 warheads on 154 heavy intercontinental ballistic missiles (ICBMs). Steady progress has been made in the bilateral negotiations on counting rules for air-launched cruise missiles, on which non-deployed missiles should be subject to the treaty, and on the treatment of sea-launched cruise missiles. Differences continue on aspects of the negotiations (for example, the definition of the air- and sea-launched cruise missiles, restrictions on the modernisation of ICBMs and verification) as well as on the relationship between strategic arms reduction talks (START) and the separate negotiations on defence and space. The White Paper records that the two sides have made some concessions. The United States has dropped its insistence that mobile ICBMs should be banned, while the Soviet Union has agreed to dismantle the large radar station at Krasnoyarsk, which it admits is in breach of the 1972 Anti-Ballistic Missile Treaty.

Britain supports their efforts to bring negotiations to a successful conclusion. A START treaty would result 'in the first negotiated reductions in strategic offensive weapons since their invention, and would create a more stable and secure balance between the two superpowers'.

British Strategic Forces

The White Paper notes that the United States and the Soviet Union possess over 95 per cent of the world's strategic nuclear warheads. The Government's policy regarding Britain's own strategic deterrent remains unchanged: 'The introduction of Trident in the 1990s will provide the minimum capability necessary to maintain an effective independent deterrent into the next century, and a START Treaty would not reduce our needs. If US and Soviet strategic arsenals were further reduced very substantially and there had been no significant improvements in defensive capabilities, we would consider how best we might contribute to the arms control process in the light of the changed circumstances. But even after a START Treaty involving reductions in US and Soviet arsenals of the size now under discussion in Geneva had been implemented, our Trident force would still represent a smaller proportion of Soviet strategic nuclear warheads than did Polaris when it entered service [in 1970]. Reductions in US and Soviet strategic arsenals would have to go much further before we could even consider including the British deterrent in any future negotiations on strategic nuclear weapons.'

Intermediate Nuclear Forces

The full implementation of the Intermediate Nuclear Forces Treaty (see pp 191-3, 1988) will be completed by May 1991: all the ground-launched cruise missiles deployed at RAF Molesworth and a half of those at RAF Greenham Common have been withdrawn; the remainder at Greenham Common will be removed before the end of May 1991. A total of six Soviet inspections of Molesworth and Greenham Common have taken place to the satisfaction of both parties to the Treaty.

Nuclear Testing

The Government also welcomes the efforts of the United States and the Soviet Union to conclude verification protocols for the bilateral 1974 and 1976 threshold nuclear test ban treaties limiting to 150 kilotons the yield of underground nuclear weapons tests and nuclear explosions carried out for peaceful purposes. Under the verification protocols each party would have the right to use hydrodynamic and seismic methods to monitor nuclear tests on the territory of the other party in the case of tests above an agreed yield.

Although the parties are intending to consider further limits on testing following the ratification of the two treaties, the White Paper points out that, as thresholds are reduced, verification will become both more difficult and more important. Progress would also depend on technical advances in verification and progress elsewhere in arms control and in the attitudes of other states. A comprehensive test ban remains a British goal, the White Paper says, but for the foreseeable future Britain's security would still depend on deterrence based in part on the possession of nuclear weapons: 'There will be a continuing requirement to conduct underground tests to ensure that our nuclear weapons remain effective and up to date.'

The Way Ahead

The White Paper says that the principles in the Alliance's May 1989 *Comprehensive Concept of Arms Control and Disarmament* have not been overtaken by events since then. These include enhanced stability and security in Europe, a willingness for dialogue, and the promotion of greater transparency and predictability in military matters. Guided by these principles, the immediate objectives remain:

– the elimination of the imbalance in conventional weapons in Europe;

– substantial reductions in US and Soviet strategic offensive nuclear weapons; and

– a global ban on chemical weapons.

Reductions in US and Soviet short-range nuclear missile forces in Europe could also be achieved; however, negotiations would only begin after the start of the implementation of the CFE agreement, while negotiated reductions below current US levels of short-range nuclear missile forces would not be carried out until CFE implementation was complete.[1]

[1]On 3 May in Brussels, NATO foreign ministers approved in principle US proposals involving the cancellation of plans to modernise NATO's US-owned Lance short-range nuclear missile and nuclear artillery, and an accelerated timetable for US-Soviet negotiations on reducing short-range nuclear missiles stationed in Europe.

Changes in the Soviet Defence Industry

Mr Gorbachev's arrival in power in 1985 did not lead to any immediate fall in weapons production, another essay notes. During 1988, however, a major review of defence production appears to have been undertaken in response to improving international relations, progress in arms control, planned reductions in the armed forces and public statements about the need for a more defensive military doctrine. The deteriorating economic situation in the Soviet Union also offered a powerful incentive to cut arms production. In January 1989 Mr Gorbachev announced that future weapons procurement would be reduced by about one fifth, apparently by 1991. Earlier, in 1988, Mr Gorbachev spoke about the conversion of defence enterprises to civilian work; subsequently, a new programme was announced to increase the civilian share of Soviet defence industry output from 40 per cent in 1989 to 60 per cent in 1995, in order to assist ten critical areas of the civil economy. However, while it is clear that Soviet tank and aircraft production has fallen, such cuts are from 'extremely high historic levels of output – for instance over 3,000 tanks and over 700 fighters a year in the mid-1980s'; as a result, most Soviet front-line units are already being equipped with the most modern armaments. The essay concludes that even after its partial conversion to civilian production, 'the Soviet defence complex will have the capability to manufacture weapons on a large scale and this must remain a factor NATO needs to take into account in its defence strategy'.

Britain's Main Defence Roles

Britain's forces make a major contribution to the military effectiveness of the Alliance; they are committed to four main roles.

Nuclear Defence

Britain's four Polaris ballistic-missile submarines, at least one of which is always on patrol, are the ultimate national deterrent against attack and make a significant contribution to the Alliance deterrence. Although assigned to NATO, the Polaris force is under the control of the British Government at all times. It will be replaced by Trident missile submarines in the mid-1990s.

Britain also contributes a number of other nuclear weapon systems to NATO's sub-strategic nuclear forces, including nuclear bombs (which can be delivered by the RAF's Tornado GR1 and Buccaneer aircraft, and the Royal Navy's Sea Harriers), and nuclear depth-bombs (delivered by anti-submarine helicopters and Nimrod aircraft). Army artillery equipped with short-range Lance missiles and four regiments of artillery in the Federal Republic of Germany are capable of firing nuclear warheads supplied by the United States.

Defence of Britain

The air defence of Britain, which would be a base for NATO forces operating in the Atlantic and the Channel and for North American reinforcements, is supplied by RAF aircraft and by Royal Navy aircraft and air defences on warships. The Royal Navy and RAF help to keep open transatlantic supply routes, and Navy regular and reserve units protect coastal waters from the threat of mines. More than 100,000

regular and reserve personnel of the three services are available to defend Britain on the ground.

Defence of the European Mainland

In support of NATO's strategy of forward defence and of Britain's treaty obligations, the British Army of the Rhine (BAOR) contributes 1 (British) Corps and logistic support to NATO's Northern Army Group. Its peacetime strength of 55,000 would be reinforced to almost 150,000 in the event of attack. RAF Germany contributes 15 squadrons to the Second Allied Tactical Air Force; other forces are based in Britain for the rapid reinforcement of NATO's flanks. Britain maintains forces in Berlin and Gibraltar; these are not assigned to NATO.

Maritime Forces

The Royal Navy (which has the second largest fleet in NATO), together with RAF aircraft, play a significant role in maritime operations in the Atlantic and adjacent seas, allowing the arrival of reinforcements and supplies, and assured access to the sea of the British strategic nuclear deterrent; the Navy also helps to protect the northern flank of NATO.

Commitments outside the NATO Area

Britain has forces in the Falkland Islands, Hong Kong, Cyprus and Belize.

The restoration of diplomatic relations with Argentina (see p 110) has led to the lifting of the protection zone around the Falkland Islands, introduced by Britain in 1982, and to an agreement with Argentina on a range of confidence-building measures, including provision for the control of military movements by sea and air in the vicinity of the Islands. 'We welcome this new agreement which enables more normal relations to be established with Argentina while maintaining our unchanging commitment to the security of the Islands.'

Britain will remain responsible for the security of Hong Kong until 1997 (see pp 109-10); with that in mind, it will proceed with the phased withdrawal of the garrison in full consultation with the Hong Kong Government.

British forces are also involved in United Nations (UN) peacekeeping and monitoring operations. The largest contribution of some 700 troops is to the UN Force in Cyprus, where they fill a number of roles, including patrolling a section of the buffer zone between the Greek and Turkish communities; the garrisons in the British Sovereign Base Areas provide logistic support for the Force and for other UN forces in Lebanon and on the Golan Heights. Britain provides a contingent to the Multinational Forces and Observers Group in Sinai (since 1982).

In 1989-90 Britain contributed military communication support to the UN Transition Assistance Group in Namibia, set up to supervise the transition of the territory to independence through democratic elections (see pp 268-70, 1988, pp 95-6, 1989, and pp 131-2).

The Royal Navy's Armilla patrol of destroyers and frigates continues to operate in the Gulf and the Indian Ocean, but the improved security situation in the Gulf has improved the availability of these ships for other tasks.

Military assistance to overseas governments, the White Paper says, remains an important and cost-effective element of British policy. In 1988-89 some 550 service personnel were on loan or seconded to 33 countries outside NATO, and over 3,000 students from these countries attended military training courses in Britain; there were also 47 short-term training or advisory visits to 45 countries outside NATO to meet specific requirements. The Government has agreed to provide military training to Namibia, covering the establishment of a defence infrastructure as well as the training of combat units.

Northern Ireland

The services' major national commitment in 1989 was supporting the Royal Ulster Constabulary in the fight against terrorism in Northern Ireland. The army has ten resident or short-tour battalions and nine Ulster Defence Regiment (UDR) battalions. The RAF continued to provide mobility and logistic support for the security forces, and the Navy maintained patrols of coastal waters.

During 1989, 233 people in Northern Ireland were charged with serious terrorist-type offences, including 31 for murder and 48 for attempted murder; 327 weapons and 37,700 rounds of ammunition were seized, 196 bombs were made safe and over 7·5 tonnes of explosives were found or neutralised. During the same year, 11 Royal Marines Bandsmen were murdered (when a bomb exploded at their barracks in Deal, Kent) as were 11 regular and two UDR soldiers in Northern Ireland. In addition, terrorist attacks were also mounted in the Federal Republic of Germany: a British soldier was killed in Hanover, a soldier's wife was murdered in Dortmund and an RAF corporal and his six-month old baby murdered in Arsbeck. The White Paper says that the Government is spending an extra £126 million in a programme to enhance the security of service establishments and people in Britain and overseas.

Defence Procurement

In 1990-91, 39 per cent (£8,296 million) of the total defence budget is being spent on equipment, of which 31·6 per cent is on air equipment, 18·2 per cent on land equipment, and 30 per cent on sea equipment. The remainder is directed to general support (15·6 per cent) and research (4·6 per cent). Some 75 per cent is being directly spent in Britain, and a further 15 per cent benefits British industry working on collaborative projects; the remaining 10 per cent is to be spent abroad.

The Government's aim, the White Paper says, is to continue to make procurement more cost-effective, including the use of competitive tendering for development and production contracts, the use of fixed or firm price contracts, and the publication of contract requirements.

The Government is also committed to collaboration wherever appropriate, not only because this can be a highly effective way of procuring equipment but because it can serve to increase standardisation and to strengthen bonds between allies. To extend co-operation with its European partners Britain is organising the exchange of senior defence project managers and graduate trainee engineers with France and the Federal Republic of Germany. The Independent European Programme Group, the major multilateral forum for European equipment

collaboration, will continue to work towards a progressive opening up of the European defence equipment market to greater competition. A second major focus of the Group's work is the need to maintain a healthy defence technology base in Europe. Within NATO's Conference of National Armaments Directors, agreement has been reached on the means of maximising competition in collaborative projects.

Royal Navy Equipment

The Trident programme continues to make good progress. Two Trident missile submarines are at an advanced stage of construction, while the third vessel is to be ordered later in 1990. Some £1,480 million is being spent on the nuclear strategic force in 1990-91.

The fourth of the five ordered Trafalgar-class nuclear-powered conventional submarines is planned to enter service later in 1990, with the fifth following in 1991. The first of the Upholder class of conventionally powered submarines is also planned to enter service later in 1990, as will a second in 1991; two more are being built.

The last of 14 Type 22 frigates joined the fleet in 1989, as did the first of the new Type 23 frigates, of which nine are on order. The Government has been considering how best to meet the requirement for a future frigate to replace the air defence capability provided by the Type 42 destroyers, following the decision of Britain and other partjcipating countries to withdraw from a collaborative NATO destroyer project.

Tenders for up to seven more single-role Sandown-class minehunters have been issued, while an order for a new aviation support ship to provide helicopter lift for amphibious operations is planned; studies into the replacement or life-extension of the assault ships, *Fearless* and *Intrepid*, are near to completion. An extra ten of a new version of the Sea Harrier (FRS2) have been ordered, and the existing FRS1 aircraft are being up-dated to that standard; improvements are being made to the Sea King and Lynx helicopters.

Army Equipment

BAOR has been strengthened by the addition of six regiments of 155mm self-propelled howitzers (replacing the Abbot and older M109 guns), and four battalions of Warrior armoured personnel carriers; a seventh regiment of Challenger 1 tanks is planned to be delivered later in 1990. The first of three batteries of the improved Rapier air defence missile system entered service in 1989-90, while development is continuing on the next generation of Rapier.

RAF Equipment

Nine Tornado GR1 strike/attack squadrons and five Tornado ADV air defence squadrons are in operation, the White Paper says; one of two Tornado reconnaissance/attack squadrons is planned to enter service later in 1990. The first squadron of Harrier GR5 aircraft is fully operational; the delivery of the night-attack version, Harrier GR7, will start later in 1990, while an order for 14 new Harrier T10 training aircraft is to be placed. Thirty-eight Tucano trainer aircraft are in service. The first of seven airborne early warning Boeing E-3D aircraft will be handed over to the RAF in early 1991 (see pp 21-2, 1987). The fleet of Chinook helicopters is being updated, improving reliability and extending its life well into the twenty-first century.

Defence Research

Some £431 million is to be spent on defence research in 1990-91, about 2 per cent of the defence budget and 5 per cent of planned procurement spending. It remains the Government's policy to reduce gradually spending on government-funded defence research and development during the 1990s in line with its commitment to ensure that defence does not pre-empt an excessive share of the nation's scarce technological resources, while recognising that there must be sufficient activity for the country's defence needs.

There were a number of significant achievements at research establishments during 1989, including research to reduce jet engine exhaust noise and the development of a radar that performs the functions of several different radars in one system. The Defence Research Agency will be set up in 1991 and formed from the four principal non-nuclear research establishments: Admiralty Research, Royal Aerospace, Royal Armament Research and Development, and Royal Signals and Radar. A chief executive (designate) was appointed in 1989 to manage the establishments and to prepare them for agency status (see p 94, 1988); the Government intends that the Defence Research Agency should become a distinct organisation within the Civil Service, operating as a trading fund accountable to the Secretary of State for Defence.

Defence Budget

The defence budget for 1990-91 is £21,223 million, and for 1991-92 it is £22,360 million, while the provision for 1992-93 is £23,430 million. The 1990-91 budget is lower in real terms than the estimated expenditure for 1989-90 (£20,630 million), but will recover in real terms in 1991-92 and 1992-93. Britain's defence expenditure in 1989 as a percentage of gross domestic product was 4 per cent; of the NATO allies, only Greece and the United States had higher percentages.

Personnel

The regular armed forces totalled 306,000 in January 1990, of whom 63,500 were in the Royal Navy and the Royal Marines, 152,900 in the Army and 89,600 in the Royal Air Force. Reserve forces totalled 340,100, of whom 248,700 were regular reserves and 91,400 volunteer reserves and auxiliary forces. Cadet forces numbered 137,000.

The White Paper emphasises that service personnel represent 'a valuable investment in training and skills'. A wide range of measures has been taken to improve retention by increasing the quality of service life. All three services are planning to increase significantly the number of women they employ and broaden further the opportunities open to them. The Royal Navy is extending the roles of members of the Women's Royal Naval Service to include service in surface ships, while the RAF began in 1989 to recruit women as pilots and navigators, with the hope that up to 10 per cent of the annual intake of trainee pilots and navigators would be women. The number of

RAF ground airwomen is also being increased, from 5,000 to 7,000. The Army already use servicewomen rather than servicemen in a number of administrative areas. A major study by the Army has proposed that women could be allowed to fill all posts, except those that would normally be expected to deploy to forward areas in war, as well as being more closely integrated with the regiments and corps employing them.

European Community

Meeting in Dublin on 28 April, the European Council discussed German unification, Community relations with Eastern Europe and the issue of European political union. The Foreign and Commonwealth Secretary, Mr Douglas Hurd, outlined Britain's attitude to institutional reform in a speech in Paris on 24 April. A government White Paper on developments in the Community in the last six months of 1989 was published in April.

EUROPEAN COUNCIL

Prime Minister's Statement

Addressing the House of Commons on 1 May (*Hansard*, Vol 171, No 97, cols 902-3), the Prime Minister, Mrs Margaret Thatcher, explained that the meeting of the Council had been convened to discuss German unification and its consequences for the European Community and the way ahead in the Community's relations with Eastern Europe.

German Unification

Mrs Thatcher said that the Council had agreed guidelines for negotiations on the incorporation of the German Democratic Republic (GDR) into the Community, taking into account the interests of other member states. Such negotiations would cover trade, agriculture, fisheries, the environment and other issues. It was for the Commission to make proposals for any necessary transitional arrangements, but Mrs Thatcher emphasised that these should be brief, avoiding unfair competition and disruption to trade.

The Federal Republic of Germany was not seeking any special fund for Community financial assistance in the period prior to unification, but the GDR would have access to those Community funds already available to help Eastern Europe and would also have full access to the European Investment Bank.

The Prime Minister said that it was the view of both Britain and the United States that a united Germany should be a member of the North Atlantic Treaty Organisation (NATO), and she welcomed the strong support for this view expressed by the Community heads of Government.

Relations with Eastern Europe

Mrs Thatcher reported that two main conclusions had been reached concerning the Community's relations with Eastern Europe. First, assistance from the Organisation for Economic Co-operation and Development Group of 24 countries (see p 455, 1989) should be extended from Poland and Hungary to the GDR, Bulgaria, Czechoslovakia, Romania and Yugoslavia. Secondly, in response to a British initiative before the Strasbourg European Council in December 1989, it was agreed that association agreements should be negotiated between the Community and those Eastern European countries making decisive progress towards market economies and genuine democracy.

Institutional Reform

Mrs Thatcher stressed that political union[1] was a concept as yet undefined and that the Council's discussions revealed widely differing views on its content. The Prime Minister said that she had pointed out to the Council that the term political union suggested to many people a loss of 'national identity, national sovereignty and national institutions . . . We should all make clear that political union does not mean, for example, giving up our separate heads of State, or our national parliaments, or our legal or electoral systems, or our defence through NATO.' Britain had proposed that there should be no alteration in the role of the Council of Ministers as the Community's main decision-making body, with ministers each accountable to their national parliaments, and she expressed opposition to centralising powers in Europe when decisions were more appropriately taken by national parliaments and governments.

Britain's preference for closer co-operation among Community member states and for reform of existing institutions to improve their efficiency and effectiveness had, said Mrs Thatcher, received some support among the other heads of Government. 'In practice we all continue to think in terms of keeping certain key issues as matters for national decision.' Britain was opposed to an increase in the powers of the European Commission except in one 'quasi judicial respect', that of enforcement of Community directives. She added that Britain would propose that the Commission should not have the sole right to initiate draft directives and that ministers should have amending power. The Commission's accountability on finance could be improved, and Britain would put forward proposals on strengthening the Court of Auditors.

The Prime Minister reported that the Council had agreed to instruct Community foreign ministers to undertake an examination of what political union should cover and to prepare proposals for discussion at the next European Council in June. A decision would then be taken on the holding of an intergovernmental conference. While such a conference could be convened by a simple majority of member states, Mrs Thatcher stressed that its decisions had to be reached by unanimity and approved by national parliaments.

Other Issues

The Prime Minister said that it had been agreed to intensify preparations for the intergovernmental

[1]This was incorporated into the Council agenda in the light of a joint proposal by France and the Federal Republic of Germany, on 19 April, for the convening of an intergovernmental conference on political union to be held in parallel with that on economic and monetary union beginning in December 1990.

conference on economic and monetary union. It was intended that this conference, scheduled to begin in December 1990, should complete its work in time to permit ratification of the results by the end of 1992, though Mrs Thatcher expressed uncertainty over the feasibility of such a timetable.

On trade issues the Council's commitment to a successful conclusion to the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) was confirmed, as was the desire for a strengthening of relations with the countries of the European Free Trade Association (EFTA)[1] and an extension of the single market to them.

European Council Presidency Conclusions

Expressing satisfaction at developments in Central and Eastern Europe since the Strasbourg European Council in December 1989 (see p 457, 1989), the Council applauded the continuing process of change bringing ever closer 'a Europe which, having overcome the unnatural divisions imposed on it by ideology and confrontation, stands united in its commitment to democracy, pluralism, the rule of law, full respect for human rights, and the principles of the market economy'. In particular, the Council welcomed the holding of free elections in the GDR (see p 131) and Hungary, and anticipated similar developments in other Central and Eastern European countries.

The Council supported German unification as a positive factor in the development of Europe as a whole, and welcomed the forthcoming integration of the GDR into the European Community. It also agreed that 'further, decisive steps should be taken towards European unity as envisaged in the Single European Act'.

German Unification

The Council anticipated that the smooth integration of the GDR into the Community, accomplished in 'conditions of economic balance and monetary stability', would contribute to faster economic growth. The integration would become effective upon the legal establishment of unification, subject to the necessary transitional arrangements, and would not involve revision of treaties.

The European Commission would be involved in negotiations and the Federal Republic would keep it informed of any relevant measures agreed between the two Germanies for the purpose of aligning their policies and legislation in the pre-unification period. The Commission would also submit, for Council decision, proposals for such transitional arrangements as were deemed necessary, which would enter into force at the moment of unification. Such measures would take account of all the interests involved and be strictly confined to what was required for rapid and harmonious integration.

Prior to unification, the GDR would benefit from full access to the European Investment Bank and other Community loan facilities, in addition to Community support in the context of the co-ordinated action of the Group of 24 countries. It would also be allowed to participate in the Eureka research and development programme (see p 284, 1989).

[1]The EFTA member states are Austria, Finland, Iceland, Liechtenstein, Norway, Sweden and Switzerland.

European Security

Attaching particular importance to the Conference on Security and Co-operation in Europe (CSCE), the Council declared: 'The movement to restore freedom and democracy in Central and Eastern Europe and the progress already made, and in prospect, in arms negotiations, now make it both possible and necessary to develop a wider framework of peace, security and co-operation for all of Europe. To this end the Community and its member states will play a leading role in all proceedings and discussions within the CSCE process and in efforts to establish new political structures or agreements based on the principles of the Helsinki Final Act while maintaining existing security arrangements which member states have.'

In an annex to the Presidency Conclusions, the significance of the CSCE process as a framework for reform and stability was acknowledged. There was now wide agreement on the desirability of a summit meeting of participating states before the end of 1990 to initiate a more advanced stage of the Helsinki process. The enabling decisions to convene such a summit should be taken as soon as possible to ensure adequate preparation. The Community proposed that a preparatory committee could begin work in July and that the summit could take place in Paris.

Community member states were looking towards a balanced development of the CSCE, encompassing 'the development of pluralist democracy, the rule of law, human rights, better protection of minorities, human contacts, security, economic co-operation, the environment, further co-operation in the Mediterranean and co-operation in the field of culture'. The summit could also review institutional arrangements within the CSCE process, including the possibility of regular consultative meetings of foreign ministers and the setting up of a small administrative secretariat.[1] The summit could similarly discuss the relationship that should exist between the CSCE process and other relevant multilateral institutions.

The new climate of co-operation had made possible 'a practical and forward-looking outcome to the Bonn Conference on Economic Co-operation in Europe,[2] to which the Community had made a major contribution. The Twelve further anticipated positive results on the issue of human rights at the Copenhagen Conference on the Human Dimension.[3]

Central and Eastern Europe

To assist the emerging democracies of Central and Eastern Europe, the European Council considered that transfers of private capital and investments to these countries should be encouraged. The Commission was invited to examine the implementation of the most appropriate accompanying measures. It

[1]In her statement to the House of Commons (see p 164), Mrs Thatcher said that Britain would like to see the CSCE meet more often, possibly twice a year at foreign minister level, so that the 35 countries involved could hold essential discussions.

[2]A CSCE intersessional conference held from 19 March to 11 April 1990. In the concluding document, all participating states agreed to expand economic co-operation and to enhance economic growth. Central and Eastern European countries made commitments to promote the creation of free and competitive market economies.

[3]To be held from 5 to 29 June 1990.

was further agreed that assistance within the framework of the Group of 24 should be extended to the GDR, Czechoslovakia, Yugoslavia, Bulgaria and Romania; and that association agreements, to include an institutional framework for political dialogue, should be similarly drawn up, 'on the understanding that the basic conditions with regard to democratic principles and transition to a market economy are fulfilled'.

The United States

The Council aimed to maintain and further develop close Community relations with the United States, and welcomed the recent understanding reached between the President of the European Council and the President of the United States on the holding of a meeting at that level every six months.

FOREIGN AND COMMONWEALTH SECRETARY'S SPEECH

In a speech delivered at the Fondation des Sciences Politiques in Paris on 24 April, the Foreign and Commonwealth Secretary, Mr Douglas Hurd, set out Britain's views on European security and the development of the European Community.

European Security

Comparing the present political landscape of Europe with that prevailing in the 1920s, Mr Hurd said: 'Today, the talk is once again of European security, and of the collective institutions through which we can work to strengthen it. Germany's place in Europe is once again a central feature of the discussion as we look forward to a united, democratic Germany, integrated closely into the wider architecture of Europe.' He continued: 'We have the best opportunity in a generation to establish in Europe a period of security, co-operation and prosperity which will last for generations still to come. We also have good reason to believe that the results of our work will prove to be durable.' After the revolutions of 1989, democracy and not dictatorship was in the ascendency in Europe, and Europeans now shared a belief in the importance of representative government, respect for human rights and liberal free market values. These were 'solid foundations on which to build for the future'.

Stressing the importance of close co-operation between Britain and France, Mr Hurd commented: 'Each of us is indispensable to Europe if the concept of greater European unity is to have any real meaning.' For reasons of history and geography both played a central role in NATO, the European Community, the CSCE and the Council of Europe. 'In all of them our central interests coincide and our policies, despite differences of emphasis, are often similar.' On defence issues, Britain and France had common interests as allies within Western Europe's security structures and as nuclear powers. Both countries supported the continuance of NATO, with the maintenance of United States forces in Europe, as the cornerstone of Western defence, while the retention of a nuclear capability, negotiated to the minimum level, remained an important deterrent factor (see pp 158-9).

Mr Hurd noted that Britain and France were closely consulting on the process of conventional arms control in Europe, and that they shared an 'identity of approach' on the establishment of a united Germany (see pp 60-2, 103-5 and 130). Both countries favoured continuing German membership of NATO and recognised the need to adapt Alliance doctrines to changing military and political circumstances. Mr Hurd expressed his hope that such arrangements would evolve within NATO that would enable France to participate fully.[1] There was a likelihood of much lower force levels in Europe in the future, pending the successful conclusion of a Conventional Forces in Europe (CFE) agreement (see p 159), and NATO's doctrines of flexible response and forward defence had to be adapted accordingly. NATO's contribution to the political aspects of security – dialogue, confidence-building and arms control – also needed to be developed. As some of the largest force reductions under a CFE agreement would fall to the United States, Mr Hurd said that NATO's European partners would have to shoulder a greater share of responsibility for defence 'even if, as we hope, the total effort can be safely reduced'.

European Community

Turning his attention to the European Community, the Foreign and Commonwealth Secretary said: 'Our unique partnership is founded in democratic values and dedicated to pursue common prosperity and an ever closer union between our peoples. As the wider Europe of which we are a part begins to stretch and stir, the Community is already a living force within it.' He stressed Britain's commitment to the Community's continuing evolution, but said that Britain's view was that the Community's main priority should be the successful conclusion of the work already in progress; Britain considered that in 1990 and 1991 six tasks had to be tackled in order to sustain the Community's momentum towards integration:

1 The completion of the single market, 'the key test of the Community's credibility and effectiveness as a wealth generator', would bring practical benefits to the peoples of Europe, in the form of cheaper travel, wider consumer choice and higher economic growth. Mr Hurd acknowledged that stronger institutional powers of enforcement might be necessary to ensure the proper implementation of agreed measures.

2 New Community relationships with the emerging free market democracies of Eastern Europe needed to be forged and assistance provided to facilitate their economic adjustment and reform. While recognising that these countries would not be able to satisfy the criteria for full Community membership in the forseeable future, Mr Hurd regarded the British proposal for new association agreements 'as a bridge to eventual membership for all those who want it'.

3 Aware that the assimilation of the GDR within the Community represented a special case, the Foreign and Commonwealth Secretary said that Britain and France had a shared interest with their other partners in ensuring that the process did not slow down the Community's overall momentum and that the

[1] France does not participate in the integrated military structure of the Alliance.

transitional period should be as brief as possible. As unification would primarily benefit the German economy, it was considered appropriate that the Federal Republic should largely bear the transitional costs.

4 Describing the EFTA member countries as 'our natural partners: democratic, developed and collectively the Community's most important trading associates', Mr Hurd said that the future of this relationship would make justifiable claims on the Community's attention in coming months (see p 168).

5 Stressing the importance of a successful outcome to the current Uruguay Round of the GATT (see pp 113-14), the Foreign and Commonwealth Secretary said that the Community had a vital interest and a major role to play in the negotiations, particularly in the difficult area of agriculture. 'If we fail in this task, no number of summits or treaty amendments will preserve the success of our Community.'

6 Although closer economic and monetary union was a shared objective, there remained fundamental differences over how best to achieve it. Extensive discussion was necessary in the preparatory period leading to the intergovernmental conference in December 1990. While Britain fully supported stage 1 of the Delors plan, and would, when appropriate, join the exchange rate mechanism of the European Monetary System (EMS), it was proposing a more evolutionary approach to stages 2 and 3, emphasising the 'importance of subsidiarity[1] and democratic accountability in the debate' (see pp 408-9, 1989). This approach would allow time for the Community fully to absorb stage 1 before moving forward to later stages.

Political Union

Noting that France and the Federal Republic of Germany had suggested a review of the Community's political institutions, Mr Hurd said: 'We are sceptical about the timing, given the risks of division and the immense importance of success in the tasks we are already tackling. Nevertheless, if our partners wish to set in hand such work, we shall join actively in the task and contribute our own ideas on the future development of the Community's institutions.' He called for full analysis and discussion, through the existing Council machinery, of the issue of institutional improvements and expressed Britain's reluctance to pre-empt such debate by deciding in advance to convene a second intergovernmental conference. He further noted that treaty amendment required unanimity and hence prior consensus on substance. Referring again to the importance of subsidiarity, Mr Hurd proposed the need for a more systematic application of the principle to Community legislation.

Britain was prepared to consider an extended role for Community institutions in the implementation and enforcement of policy, and Mr Hurd envisaged possible scope to improve the political accountability of the Council to national parliaments. Links between parliaments and the European Parliament might likewise be reviewed, the latter having already acquired additional powers under the Single European Act. While in Britain's view these powers were broadly sufficient, Mr Hurd said that the European Parliament's scrutiny of Community finances could be considered further. However, Britain was deeply sceptical about proposals for greater centralisation within the Community.

Although mindful of the political transformation currently underway in Europe as a whole, the Foreign and Commonwealth Secretary said: 'I do not find persuasive the argument that we must accelerate the pace of political integration in the Community precisely because of these dramatic events. The Community is not a vehicle that necessarily requires radical redesign when the landscape through which it is travelling changes.' Mr Hurd emphasised that it was not Britain's aim to obstruct the Community's progress but to offer 'practical solutions to specific challenges and opportunities'.

[1]The principle that action at Community level should be confined to those areas where common action is necessary or would ensure greater benefit and effectiveness than separate action by the member states.

DEVELOPMENTS IN THE COMMUNITY IN 1989

Progress towards the completion of the European Community's single market and the question of economic and monetary union are among the topics considered in a government White Paper on developments in the Community in the last six months of 1989.[1]

The Single Market

Almost 60 per cent of the programme on the completion of the single market (see pp 106-7) is now complete, according to the White Paper. Agreements have been reached on the abolition of exchange controls, on allowing banks to operate in any member state with one authorisation and on the mutual recognition of higher education diplomas, thereby enabling professional people to work anywhere in the Community without having to requalify in each member state. Commercial non-life insurance can now be sold throughout the Community and, with the abolition of national lorry quotas, firms can use hauliers of any nationality for cross-border trade.

With strong British support, this momentum was sustained in the last six months of 1989 by the French Presidency when 65 measures aimed at removing barriers to trade within the Community were adopted, agreed in principle or approved for submission to the European Parliament. Political agreement was, for instance, reached on the question of life insurance; under this it would be possible for consumers acting on their own initiative to purchase a life insurance policy outside their own member state. Agreement was also reached on two directives mapping out the broad outlines of a liberal European regime on telecommunications, responsive to the needs of business. In a bid to reduce customs formalities, member states agreed arrangements for the collection of value added tax (VAT) after 1992. The regulation on merger controls set out clear, competition-based rules for large mergers. Guidelines were also set for the further liberalisation of air transport. The Community is

[1]*Developments in the European Community. July – December 1989.* Cm 1023. HMSO, £7·40. ISBN 0 10 110232 1.

close to agreement on fair rules for procurement by public and private bodies in the water, transport, energy and telecommunications industries.

Economic and Monetary Union

In June 1989 the Community agreed that stage 1 of economic and monetary union should begin in July 1990, and Britain supported this decision. Stage 1 involves the consolidation of the single market through the complete removal of physical, technical and fiscal barriers; the strengthening of competition policy; the establishment of a single financial area through the implementation of directives on banking, securities and insurance services; and all Community currencies joining the exchange rate mechanism of the European Monetary System on equal terms.

The Strasbourg meeting of the European Council agreed by a majority in December 1989 that an intergovernmental conference should be convened at the end of 1990 to consider further steps on economic and monetary union. Britain believes that it is too early to start drawing up blueprints for further stages but will be playing a full part in the discussions; in November it published a paper suggesting that the Community should build on market forces released by stage 1 as the means of ensuring increasingly close economic and monetary integration (see pp 408-9, 1989).

Other decisions on economic matters included the adoption in November of a directive requiring member states to make insider dealing in shares unlawful and to co-operate in obtaining and exchanging information for the purposes of enforcement. The directive prohibits individuals from improperly taking advantage of inside information when buying or selling securities; provisions safeguard legitimate business practices, such as the work of analysts.

The adoption of a second banking co-ordination directive, added to other recent Community legislation, is designed to create a more open and competitive market in services provided by credit institutions (including banks and building societies) throughout the Community from 1993.

Research and Development

In December the Research Council unanimously agreed a new research and development (R & D) framework programme for the period from 1990 to 1994. The programme will cover R & D in six main areas – information and communication technologies, industrial and materials technologies, the environment, life sciences, energy, and human capital and mobility.

In October a common position was agreed on a research programme covering agriculture to bring it into line with market demand; emphasis would be placed on research work designed to help identify alternative outlets for products and uses of land, to conserve natural resources and to develop production systems in harmony with the environment.

Other programmes agreed cover research in raw materials and recycling, radioactive waste management, and the provision of scientific and technical support for the Community's environmental activities.

The Environment

Since its first environment programme in 1972, the Community has adopted over 250 measures; recent achievements include easy availability of unleaded petrol; action to cut pollution from power stations; and strict emission standards for cars.

The Council of Ministers reached political agreement in November on a regulation establishing a European Environment Agency responsible for the collection, co-ordination and analysis of environmental information. It is envisaged that the Agency would be a small, independent professional body whose function would be to provide authoritative information to underpin Community environment policy. No decision has been taken on the location of the Agency's headquarters, but Britain has offered to host it in Cambridge.

Other decisions included the adoption of a resolution aimed at preventing natural hazards and reducing dangers from potentially hazardous industrial activities and from the transport of dangerous substances.

External Relations

In December a meeting of ministers from Community member states and from members of the EFTA agreed to open formal negotiations on expanding relations between the two bodies. The aim of the negotiations is to provide a framework for extension of the Community's single market to EFTA countries and for further co-operation on questions such as R & D, education and the environment.

Negotiations were also concluded on a new Lomé Convention covering the Community's aid and trade with countries in Africa, the Caribbean and the Pacific (see pp 19-20).

Discussions continued on the current round of trade negotiations within the framework of the GATT. The Community was represented at an informal meeting of trade ministers in Tokyo in November, where ministers agreed to conclude the negotiations at a meeting in Brussels in December 1990.

In response to the changes in Eastern and Central Europe, the Community agreed to abolish or suspend quantitative restrictions on Polish and Hungarian imports and to provide a £210 million package for Poland and Hungary in 1990, covering agricultural reform, environmental protection, training and European Investment Bank lending to both countries; in addition, some £70 million of free food was supplied to Poland. The Community also signed agreements on trade, commercial and economic co-operation with Poland and the Soviet Union. Similar agreements are likely to follow in 1990 with the GDR, Bulgaria, Czechoslovakia and Romania. The Community is involved in the negotiations concerning the establishment of a European Bank for Reconstruction and Development, which will provide long-term financial support for the private sectors in Eastern Europe.

Relations with Germany and Poland

The agenda for future discussions on the unification of Germany was agreed by the six countries of the Two-plus-Four group at its first official meeting in Bonn on 5 May. Earlier in April, British support for Poland's economic and political reforms and for its membership of Western European institutions was stressed by the Foreign and Commonwealth Secretary, Mr Douglas Hurd, during a visit to Poland.

German Unity

The meeting was attended by the foreign ministers from the six countries of the Two-plus-Four group (Britain, France, the Soviet Union, the United States, the Federal Republic of Germany and the German Democratic Republic). It was agreed at a meeting in Ottawa in February (see p 60), and discussed the external aspects of the establishment of German unity, including the security of the neighbouring states.

At a joint press conference after the meeting, the chairman of the group, the foreign minister of the Federal Republic of Germany, Herr Hans-Dietrich Genscher, said that ministers had agreed on the agenda of talks, including questions regarding German borders, future security in Europe, Berlin, the termination of the Four-Power rights and responsibilities, and a full and final settlement under international law of the German question generally (see pp 130-1).

Herr Genscher said that all participants recognised the will of the Germans for unity and agreed that the process of German unity should be realised without further delay; they would meet again in Berlin in June, in Paris (July) and in Moscow (September). Poland would be invited to attend the July meeting where it would be free to address all items related to border questions. Herr Genscher added that the participants had expressed their resolution that Poland's western border should be the definitive border between Poland and Germany; this recognition would be part of a treaty under international law concluded between a united Germany and Poland.

British Views

The Foreign and Commonwealth Secretary, Mr Douglas Hurd, said that the six states were 'helping to unite a nation 45 years after it was artificially divided and thus drawing a final line under the last world war'. Although there were differences between them, the meeting was marked by a spirit of people wanting and working not only to reach accord but to take forward the process, 'because all of us see the need for a united and fully sovereign Germany embedded in the mainstream of European political and economic structures . . . We want to see Germany reunited in an orderly way as soon as possible as part of the wider work for a stable and free Europe.' Those countries, which believed that a united Germany should be a member of the North Atlantic Treaty Organisation (NATO), also believed that this should be accomplished 'in a way which does not leave the Soviet Union feeling that its legitimate anxieties have been neglected'.

Other Views

The German Democratic Republic's foreign minister, Herr Markus Meckel, said that during the process of German unification his government wished to show solidarity with its other Eastern European neighbours with which it was going down the road to democracy. In particular, the East German Government supported the Polish proposal for a border treaty.

The Soviet foreign minister, Mr Eduard Shevardnadze, said that the Soviet Union intended to work constructively with the European states in order to accelerate the historic process of building German unity.

For the United States, its Secretary of State, Mr James Baker, emphasised that, while the unification of Germany would have important implications for each country in its relations with Germany as well as for Germany's place in the new evolving European order, the Two-plus-Four group should take decisions only on those issues relevant to Four-Power rights and responsibilities.

British Relations with Poland

On 30 April Mr Hurd addressed members of the Polish Parliament (*Sejm*) and the Senate Foreign Relations Committees; afterwards, he answered questions from representatives. Mr Hurd emphasised the fact that Poland had begun the process of movement towards freedom in Europe. The new market system now being built in Poland held the key to future prosperity because it would give people the motive and the self-respect to work for themselves as well as for the good of society. There were signs that far-sighted measures, designed to contain inflation and stabilise the currency, were working.

Economic Assistance

Noting that there would be difficulties and hardship, Mr Hurd said that Britain had supported Poland in the International Monetary Fund and in the Paris Club negotiations on the rescheduling of Poland's debt, and had been one of the first to contribute to the $1,000 million stabilisation fund for its reserves. The British know-how fund was aimed at developing the new structures and skills necessary for the success of Poland's reforms (see pp 13-14).

German Borders

Although Britain and Poland both welcomed 'the uniting of Germany in freedom', Mr Hurd said that Poland had the right to expect that its western border with Germany should be finally determined by a treaty. Answering questions after his speech, Mr Hurd said that, although German leaders had made declarations saying that there was no intention to upset or change the borders, Poland was entitled to more than declarations; this point had been conceded by the Federal Republic's Chancellor, Herr Helmut Kohl. The Two-plus-Four talks in which Poland would be participating would lead to negotiations between Poland and the two Germanies followed by a treaty.

Security Arrangements

The Two-plus-Four countries would also consider the security arrangements needed for a united Germany, said Mr Hurd, in particular the transitional arrangements for the Soviet forces now stationed in the German Democratic Republic. Britain believed that Germany should remain a full member of NATO after unification because 'any other arrangement is likely in the long run to bring about a slide into that instability which . . . is now going to be the main danger in Europe'. Mr Hurd hoped that this view, which was shared by Poland, would soon be shared by the Soviet Union.

While there were no strong feelings in the Atlantic Alliance about the continuance of the Warsaw Pact, there were strong reasons for NATO to remain, the Foreign and Commonwealth Secretary explained later. 'It is important to keep United States forces in Europe, not at the present levels but at significant levels. It is important that there should be an integrated command in which all our forces, including German forces, operate.'

There was also a need to build on the Conference on Security and Co-operation in Europe process to enable newly democratic countries, such as Poland and also the Soviet Union, to feel that their legitimate worries about European security were being met.

European Community

Mr Hurd pointed out that at a European Community meeting in Dublin (see pp 164-6), Britain and the other 11 members had agreed to enter into new forms of association with Poland and other Eastern and Central European countries. The 12 members had to show imagination as well as some generosity in working out these new relationships with Poland. It was important, said Mr Hurd, that Poland had applied for membership of the Council of Europe.

Conclusion

Concluding, Mr Hurd said that the main danger now for Europe was no longer going to be a new Communist tyranny or a clash between East and West but 'incoherence, a relapse into old quarrels and the disappointment of high expectations of quick prosperity'.

Hong Kong

A Bill under which 50,000 heads of household in Hong Kong, together with their wives and children, would be given British citizenship received its second reading in the House of Commons on 19 April.

Under the British Nationality (Hong Kong) Bill the Governor of Hong Kong would submit proposals for a selection scheme to the Home Secretary, who would have the power to amend the scheme before submitting it to Parliament for approval in the form of an Order in Council; details of the scheme that the Government has in mind are contained in an explanatory note (see below) published with the Bill. The purpose of the Bill is to help maintain Hong Kong's prosperity and stability in the period leading up to 1997, when the territory will revert to Chinese sovereignty (see pp 368-74, 1984, and pp 39-40, 1986).

SELECTION SCHEME

The explanatory note says that the scheme would comprise four sections. Of the 50,000 places, 36,200 would be allocated to a general section comprising people with a key role in maintaining the prosperity and successful administration of Hong Kong, and these would be drawn from seven broad areas of work – business and management, accounting, engineering, information services, medicine and science, law, and education. Key entrepreneurs would be given 500 places, and 7,000 would be allocated to members of disciplined services such as the police, the fire service, Customs and Excise, the immigration department, the Royal Hong Kong Auxiliary Air Force and the operations department of the Independent Commission Against Corruption. Up to 6,300 places would be given to people employed in sensitive services who could be vulnerable or exposed after 1997 as a consequence of service to Hong Kong or British interests in either a civilian or military role.

Applications would be submitted to the Hong Kong Government, and an advisory Steering Group would assist in the selection of people to be recommended for British citizenship.

It is envisaged that the selection of citizenship recipients would operate in two stages and that the majority of places would be distributed in the first stage so that early confidence could be given to key personnel who might otherwise leave. Except in the case of key entrepreneurs, a second stage (some 13 per cent of places) would be reserved for allocation nearer to 1997 to cater for those who would by then have moved into important positions and to give a second chance to those who had failed to secure a place in the first stage.

Assessing Applications

A points system would be used to select applicants from the first (general allocation) section. The factors to be taken into account would be age, experience, education/training, special circumstances, proficiency in English, British links and community service. The age factor would give maximum points to those aged between 30 and 40, the group most prone to emigrate. Points for special circumstances would be a means of recognising exceptional individual achievement or of giving weight to occupations suffering higher emigration rates than others within the same group. As for British links, this would include service with a British firm or for the British and Hong Kong Governments.

The applications of key entrepreneurs would be evaluated by the advisory Steering Group, which would submit a report to the Governor, who would decide whether to recommend the person concerned for British citizenship.

The points system would apply to members of the disciplined services; places would be allocated to the various services according to their staff num-

bers, and the points system adjusted to take account of the needs of each service.

People in the sensitive services section would be invited to submit applications to the Hong Kong Government, which would scrutinise them and submit them to the Governor, who would recommend them to the Home Secretary for registration. Many of the individuals concerned would already have been identified by virtue of their rank, position and area of work.

PARLIAMENTARY DEBATE

The Bill was given its second reading in the House of Commons by 313 votes to 216 (*Hansard,* Vol 170, No 89, cols 1566-1658).

Home Secretary's Speech

Noting that Britain was responsible for the territory in the period leading up to 1997, the Home Secretary, Mr David Waddington, emphasised the need to maintain the territory's prosperity and stability in this period. The Bill addressed a real and present threat to that objective for, although plenty of people wanted to live in Hong Kong, many were leaving, including professional, managerial and technical personnel. Some 24 per cent of emigrants came within these categories but represented only 5·5 per cent of Hong Kong's population, and 13 per cent of information science professionals were leaving each year. The territory's economy and stability could not indefinitely survive such a haemorrhage of talent and enterprise.

Mr Waddington said that most of those emigrating were doing so reluctantly because it was the only means of acquiring the assurance of a foreign passport, and that most would remain if such an assurance were available without the need to leave Hong Kong. The Governor was convinced that the assurances of citizenship contained in the Bill were 'the only effective way of restoring confidence and maintaining prosperity'. The figure of 50,000 was a number capable of having a real impact on emigration and confidence, and would embrace a carefully chosen and highly qualified group of people in good jobs. The Bill was designed 'to persuade them to remain in Hong Kong rather than go off elsewhere in the coming years to acquire another nationality as a sort of insurance policy'. British citizenship would also be given to the wives and children of the 50,000 heads of household.

The selection scheme, Mr Waddington said, was for key workers, not for a wealthy and influential élite. It made provision for such groups as teachers, doctors, nurses, engineers, computer programmers, accountants, business managers, civil servants and police officers. 'It is seen in Hong Kong as a scheme that will contribute to the stability and prosperity of the territory, and will therefore benefit the community as a whole.'

Concluding, Mr Waddington emphasised that some provision was needed for two groups of people not covered by the Bill, namely the widows and widowers of British citizens who were resident in Hong Kong and the widows of former servicemen who served in defence of Hong Kong during the second world war (1939-45). The first category would be allowed to come to Britain if they were still resident in Hong Kong, did not have citizenship of another country and had not remarried. The widows of servicemen would be able to come to Britain irrespective of the husband's nationality.

Opposition Views

The official Opposition spokesman, Mr Roy Hattersley, said that a solution to the problems of Hong Kong had to address the needs of all the people and not just a few. There could be no just or practical solution in a scheme that offered a special escape route to a favoured and arbitrarily chosen minority. Selection emphasised the existence of the problem but offered no way out for the majority of Hong Kong residents. The only solution that met the needs of all the people was to make major progress towards democracy in the territory (see pp 109-110) and to make this so complete and tightly organised that dismantling it in 1997 would be virtually impossible.

The Liberal Democrat leader, Mr Paddy Ashdown, said that Britain had a moral duty to honour the rights of all British passport holders in Hong Kong. This was also the most practical thing to do, since it provided the best way of ensuring Hong Kong's stability until 1997 and of preserving its democracy and prosperity after 1997. The Bill was the very least that Britain should do to honour its responsibilities, and the Liberal Democrats would vote in favour of its principle while seeking to amend it in committee.

The leader of the Social Democrats, Dr David Owen, supported the Bill, saying that Britain had to help those people who contributed to the success of Hong Kong. If the flow of key people could be stemmed, prosperity for the millions of people in the territory would be enhanced. Britain had to show the lead if it was to gain support from the international community.

Government Response

Replying for the Government, the Foreign and Commonwealth Secretary, Mr Douglas Hurd, said that Hong Kong was an international centre and that its trading partners had a strong interest in its continuing stability and prosperity. Some countries had already started to provide international support for the territory, and Britain had encouraged others to do so. Singapore had introduced a scheme covering up to 25,000 heads of household and, within the European Community, France had already implemented a scheme to provide right of entry to employees of French companies and their families. Several other countries were considering schemes of the same nature. Mr Hurd added that the 50,000 British citizens from Hong Kong (and their wives and children) would have exactly the same rights as any other Community citizen to work and settle in any part of the Community.

Overseas Aid

Financial support for countries undertaking economic reform programmes, energy efficiency projects, and research into protection of the rainforests are some of the areas where British aid is being directed in 1990.

Africa

On 5 April Britain pledged a grant of £30 million to Zambia, to be spent on essential imports required to implement the agreed International Monetary Fund (IMF) economic reform programme for 1990. The Government has also offered to reschedule repayments worth more than £12·8 million. Tanzania is to receive £17·5 million and Uganda £5 million in balance-of-payments grants in 1990-91 in support of their IMF-backed reforms. The grants, announced on 8 March, will be used mainly to pay for essential imports for the regeneration of agriculture and industry and of other key sectors of their economies. The grant to Tanzania includes £2 million for the procurement of essential drugs and urban transport; the assistance to Uganda follows a British pledge made in February 1989 of £10 million, to be released for spending in 1990-91. Financial assistance to The Gambia, which is also carrying out a World Bank-IMF economic reform programme, is being raised by £2 million to help with petroleum needs, taking British support pledged to that country since 1985 to £18·5 million. Britain is also about to undertake a new £2·8 million project to rehabilitate essential services at a hospital in Banjul, the country's capital.

Caribbean

Grants of £7·5 million to Jamaica, in part to provide aid in support of that country's recently revised programme of economic reforms, and £5 million for projects in Dominica were announced by the Minister for Overseas Development, Mrs Lynda Chalker, at a meeting of the Caribbean Group for Co-operation in Economic Development in Washington on 23 April. Another £1 million was announced at a conference in London to help Caribbean dependencies, notably in the fight against drugs (see p 186).

Future British aid to the Caribbean will normally be in the form of grants rather than loans in order to maximise its value. Bilateral aid to this region amounted to over £49 million in 1988, an increase of 22 per cent over 1987.

India

New aid of £50 million towards energy efficiency projects in India was announced by Britain on 3 May. The aid will include an energy audit of a thermal power station, the rehabilitation of hydro-electric plants, energy efficiency measures for industrial users of electricity and assistance with transmission and distribution projects. Some £10 million will go towards providing technical assistance.

In addition to this new aid, Britain has already made available £10·6 million for a five-year programme to improve the efficiency of electricity in Kanpur, a major industrial city in Uttar Pradesh; this will provide electricity distribution equipment, a design and supervision consultancy, and a twinning arrangement between South Wales Electricity and the Kanpur Electricity Administration to provide long-term specialist advice and training.

Total British aid to India in 1988-89 was £88 million, Britain's largest bilateral aid programme.

Forestry

The first project under the memorandum of understanding on environmental co-operation signed by Britain and Brazil in July 1989 (see pp 309-10, 1989) was announced on 26 February. The research project will assist the Brazilian Government to study the relationship between deforestation and climate in Amazonia. Costing almost £2·5 million over five years, the scheme will be financed from a £100 million bilateral aid fund announced by the Prime Minister, Mrs Margaret Thatcher, at the United Nations in November 1989 (see pp 427-9, 1989).

Britain is involved in 165 forestry projects in 22 countries (including Cameroon, India, Malaysia, Nepal, Nigeria, Tanzania and Zimbabwe as well as Brazil), costing over £150 million.

Emergency Relief Aid

Britain is providing a further £8·5 million in emergency relief and food aid for Ethiopia, in addition to 10,000 tonnes of wheatflour worth £2·6 million. British assistance to Ethiopia so far in 1990 is £13 million. An extra £1 million of British emergency relief aid for some 600,000 refugees and displaced persons in Somalia is to be shared between the United Nations High Commissioner for Refugees and the International Committee of the Red Cross. Britain is also contributing a further £3·5 million of emergency relief and £2 million worth of food (10,000 tonnes) to Mozambique, to be channelled through British non-governmental organisations.

Following Hurricane Hugo that struck a number of islands in the Caribbean in September 1989 (see p 380, 1989), a further £540,000 of British emergency aid has been allocated to Antigua and Barbuda, Dominica, and St Kitts and Nevis to repair damaged housing, rehabilitate electricity systems and revive agriculture.

Shorter Notes

BRITISH-FRENCH DEFENCE CO-OPERATION AGREEMENT

Britain and France agreed to further their defence co-operation at a meeting between the Secretary of State for Defence, Mr Tom King, and the French defence minister, M. Jean-Pierre Chevènement, on 4 May.

The two countries already co-operate in a number of important equipment programmes, including anti-air missile systems and counter-battery radar. Possible co-operation on a future frigate, certain nuclear programmes, and combined initiatives on research programmes are also being pursued. In addition, there are wide-ranging links involving frequent ship visits, joint exercises and numerous exchanges of personnel and units. Arrangements for using the Channel Tunnel for reinforcement are

being considered by the two countries. They are also co-operating on the implementation of a Conventional Forces in Europe agreement (see p 159).

To build further on this increased pattern of defence activity, Britain and France agreed:

– to extend the joint exercise programme covering all three services beyond 1992;

– to study the increase and broadening of exchange of units and personnel;

– to examine further co-operation on implementing arms control agreements; and

– to arrange an individual exchange programme concerning the United States' airborne warning and control system (AWACS) aircraft.

Source: Ministry of Defence news release, 4.5.90.

BRITAIN AND UNESCO

Following a thorough review, the Government has concluded that, although there have been improvements in the United Nations Educational, Scientific and Cultural Organisation (UNESCO), these are not sufficient to justify Britain rejoining.

Giving details on 3 April, the Parliamentary Under-Secretary of State at the Foreign and Commonwealth Office, Mr Timothy Sainsbury, said that the Government had consulted a large number of organisations with an interest in UNESCO activities and had taken into account views expressed by the House of Commons Foreign Affairs Committee (for publication details see p 195). The Government would continue to keep the situation under review and to maintain Britain's observer section at UNESCO; it would also continue participating in the UNESCO programmes with which it was involved.

Britain withdrew from UNESCO at the end of 1985 because the Government had major doubts about the effectiveness with which the organisation was pursuing the objectives outlined in the UNESCO constitution (see pp 383-5, 1985).

Source: *Hansard*, Vol 170, No 85, written answers, col 533.

Community Charge

There have been a number of recent developments concerning the community charge, which came into effect in England and Wales on 1 April, having been introduced in Scotland on 1 April 1989.

The community charge, which has replaced domestic rates in Great Britain (but not Northern Ireland), is payable by almost every resident adult. For individuals, the developments have concerned assistance in paying the charge, through community charge benefit and transitional relief. For local authorities, the main development has been the 'capping' of budgets deemed excessive.

Community Charge Benefit

The Budget (see pp 134-9) of 20 March provided for a doubling, from £8,000 to £16,000, in the amount of capital above which level people would be rendered ineligible for community charge benefit. The new arrangements were to be effective from 1 April. The Secretary of State for Scotland, Mr Malcolm Rifkind, announced in the House of Commons on 4 April *(Hansard,* Vol 170, No 86, col 1201) that a temporary scheme, outside the social security benefits system, would apply to people in Scotland who, with capital greater than £8,000 and up to £16,000 in 1989-90, had been ineligible for community charge benefit in that year. The scheme envisaged a special payment which would amount to the same percentage of their 1989-90 charge as benefit would be of their 1990-91 charge.

Transitional Relief

The then Minister for Local Government and Inner Cities, Mr David Hunt, said on 7 March that central government would provide local authorities in England with £810 million to be distributed to some 7·5 million charge payers in the form of transitional relief over a three-year period (£350 million in 1990-91, £260 million in 1991-92 and £200 million in 1992-93). [Transitional relief is designed to reduce the impact of the switch from domestic rates to the community charge. It is automatically given to people whose community charge exceeds by a certain margin their previous rates bill. People who did not pay rates may also apply for relief.] Mr Hunt also announced, on 19 March *(Hansard,* Vol 169, No 74, written answers, cols 481-2), that central government would provide local authorities with about £21 million to meet the costs of setting up and administering the scheme of transitional relief.

Capping

The Government has announced the capping of the budgets of a number of high-spending local authorities in England. The Secretary of State for the Environment, Mr Christopher Patten, said in the House of Commons on 3 April *(Hansard,* Vol 170, No 85, cols 1033-66) that local authorities' budgets in 1990-91 were 16 per cent higher than in 1989-90 and 9 per cent higher than provided for by the standard spending assessment (SSA).[1] Payers of the community charge in 1990-91 were being asked to contribute about 30 per cent more than domestic ratepayers in 1989-90 despite the 8·5 per cent increase in central government support to local authorities.

The Secretary of State felt that there was no justification for the level of charges set by many authorities. The average in England was £363 per adult, with the charge set by individual authorities ranging from £148 to £573. Under the Local Government Finance Act 1988 (see pp 17-18, 1988), capping could be applied to authorities whose budgets were either excessive or represented an excessive increase over those for the previous year. No authority with an annual budget below £15 million could be selected. For 1990-91 Mr Patten had decided to cap those budgets which were, in his opinion, excessive in absolute terms.

The measure of excessiveness used was the amount by which spending exceeded the SSA. Two specific criteria were employed: first, a budget would be judged excessive if it exceeded the SSA by at least 12·5 per cent and by at least £75 per adult; secondly, capping would be applied only where the overspending per adult above the two benchmarks was at least £26 per adult. The second criterion would mean that authorities would not need to cut their budgets to secure only a small reduction in their community charge; there would be a reduction of at least £26 per adult. Twenty authorities were selected for capping: Avon, Barnsley, Basildon, Bristol, Calderdale, Derbyshire, Doncaster, North Tyneside, Rochdale, Rotherham, St Helens, Wigan and the London boroughs of Brent, Camden, Greenwich, Hammersmith and Fulham, Haringey, Hillingdon, Islington and Southwark. [The London borough of Lambeth, for which the necessary budgetary information was not then available, was added to the list on 10 April *(Hansard,* Vol 171, No 92,

[1]The SSA represents the amount of expenditure that an authority would need to incur in order to provide a standard level of service which the Government regards appropriate.

written answers, col 122).] The implied reductions in the community charge ranged from £26 to £99 per adult. The Secretary of State explained that authorities could accept the new, capped figure or suggest another, but the Government retained the ultimate power to impose a cap. He expected all the authorities to have set new budgets by June or July, with revised community charge demands following as soon as possible afterwards.

Banking Law Review

In a White Paper published on 29 March the Government gave its response to the report of the Review Committee on Banking Services Law published in February 1989. The Government has accepted most of the Committee's recommendations in principle. The central one of these was for a code of banking practice to be drawn up and adopted by banks and building societies. The White Paper proposes the inclusion in such a code of certain provisions on which the Committee recommended legislation.

The proposals in the White Paper,[1] which come after widespread consultation, follow much of the thinking of the Review Committee (see pp 102-3, 1989). Over recent years, the White Paper says, it has been competition within a flexible regulatory framework that has benefited the consumer most and it is from this source that further improvements are most likely to come. This is the primary principle underlying the Government's response to the changes which the Review Committee proposed. Legislation has only been considered where it would either aid competition, correct areas where the law is inadequate or out of date, or where it is the only means of ensuring that consumers are protected. Some of the main issues covered in the White Paper are discussed below.

Code of Banking Practice

Consultation has shown that there is general acceptance of the idea of a code of banking practice, the White Paper says. In March 1990 a committee was set up involving the British Bankers' Association, the Building Societies Association and the Association for Payment Clearing Services to oversee the preparation of a code. It is intended that its main points should be in place by early 1991. The Government warmly welcomes this development. The code will not attempt to standardise levels of service and in many areas will simply define the information the customer should expect to receive from the banker about the way his or her account should be run and its business conducted.

Largely following the recommendations of the Review Committee, the White Paper outlines what the Government thinks should be incorporated into the code. The code should specify that customers will be given information in clear and simple language about the terms of their contract with the banker and the rights and obligations that apply on both sides.

Customers should be told of the rights to privacy which the law already affords and the very limited circumstances in which any information about their personal finances may be passed on. The Review Committee recommended that the 'Tournier' rules, which govern the bankers' duty of confidentiality, should be codified in statute and that exceptions to the rule of confidentiality should at the same time be redefined. The White Paper expresses the view that banks should not pass confidential information outside banking companies in the same group for marketing purposes and should seek a customer's consent before releasing information to a credit reference agency which goes beyond the information on customer defaulting normally passed to such agencies. The Government believes that these changes would be most sensibly implemented through the proposed code rather than through legislation.

Customers should be told how to lodge a complaint if it proves necessary, how such complaints would be dealt with, and how matters may be referred to the relevant Ombudsman; they should be told what banking charges may be levied in what circumstances; and they should be given a simple explanation of the timing of the clearing cycle and when they could normally expect a cheque to be cleared.

Ombudsman Schemes

The Review Committee recommended that all banks, except those with only a small number of customers, should be required by law to be a member of one or more recognised Ombudsman schemes; that the present voluntary Banking Ombudsman scheme should be reorganised; that it should be extended to cover small businesses; and that rationalisation of the Banking and Building Societies Ombudsman schemes should be considered. The White Paper notes that 99 per cent of people who have bank accounts have them with banks which are members of the Banking Ombudsman scheme and that, since the Review Committee's report, the terms of the scheme have been revised so that it is now similar to the building societies' scheme. On balance, therefore, the Government does not propose any change to the present arrangements which it believes are working well.

Electronic Funds Transfer

The White Paper proposes legislation to bring the law for payment cards in general into line with the Consumer Credit Act 1974 (see pp 176-7, 1974), which covers credit cards alone. The ban in the 1974 Act on unsolicited mailing will be extended to all payment cards, including automatic teller machine (ATM – cash dispenser) and cheque guarantee cards. This would not apply to renewal cards for existing customers. Similarly, for all cards the customer will only be liable for losses incurred as a result of theft up to the point where he or she notifies the card issuer, subject to a financial limit which is currently fixed for credit cards at £50.

The Government accepts the Review Committee's recommendation that customers should be compensated for any direct, or clearly consequential,

[1] *Banking Services: Law and Practice.* Cm 1026. HMSO, £6·20. ISBN 0 10 110262 3.

loss due to the failure of customer-activated electronic funds transfer equipment; it intends to legislate accordingly. However, it does not agree that the relevant Ombudsman should have the power to apportion loss in the case of a disputed transaction where the customer asserts that the card and personal identification number (PIN) have been protected but bank records show a debit using that card and PIN and money paid out by the ATM with no evidence of difficulty or malfunction. In such a case the Ombudsman will be confronted with conflicting evidence and, as in a court of law, will have to decide in favour of one party or the other.

Cheques and Payment Orders

The Review Committee identified a number of areas where problems arise in the use of cheques. The Government found that there was little support for the introduction of a new instrument, the bank payment order, as recommended by the Committee, which would operate alongside the cheque and would be non-transferable (that is, not payable into an account other than that of the payee). It has decided to tackle the problems identified by the Committee by measures designed to clarify the existing law relating to cheques.

The Government accepts the Committee's recommendation that statute should recognise only one form of cheque crossing, consisting of two parallel lines, and that the effect of this crossing would be to ensure both that the cheque must be paid through a bank and that it would be not negotiable.[1] In addition, the Government agrees that there is a need for a clear method of making a cheque non-transferable and proposes that this should be met by giving legal status to the words 'account payee' or 'a/c payee' written on the face of a crossed cheque. A customer who writes these words on a cheque will make it non-transferable, so ensuring that the cheque can be paid only into the bank account of the payee. The use of open (uncrossed) cheques will still be possible.

The Review Committee recommended legislation which would allow the truncation of cheques. Banks would be able to obtain payment by presentation of electronic information rather than the paper cheque itself, as currently required by the Bills of Exchange Act 1882. The truncation of cheques would eliminate the transport of millions of cheques around the country each day. The pieces of paper would remain at the bank branch at which they were paid in and the relevant information to permit the debiting of accounts would be transmitted electronically. The Government accepts the recommendation and will introduce the necessary legislation, incorporating desirable safeguards.

[1] 'Not negotiable' does not mean that a cheque cannot be transferred; it means only that, if it is transferred, the holder will not get better rights of ownership than the person had from whom it was received, so that if, for example, it was received (in good faith) from a thief it would prove worthless.

Queen's Awards

The Queen's Awards for Export and Technology for 1990 were announced on 21 April, marking the twenty-fifth anniversary of the scheme. There were 126 winners of awards for export achievement and 49 for technological achievement; both were records. The recipients represented a wide spread of industrial and commercial activity and size of company; Scotland, Wales, Northern Ireland and all the regions of England were represented.

The Queen's Awards for Export and Technology are published annually on 21 April (the Queen's birthday). They are made on the advice of a committee consisting of representatives of industry and commerce as well as civil servants and trade unionists. Instituted in 1965 and revised in 1975, the awards can be made to British companies and to subsidiaries of overseas companies. Recipients hold their awards for five years and may display the awards emblem on their goods, letterheads and articles for use by employees, and in advertising. A current holder of an award may apply for consideration in subsequent years in respect of a new achievement beyond that recognised by the previous award.

To mark the twenty-fifth anniversary of the awards, commemorative wall plaques were given to the winners of awards in 1990; special postage stamps commemorating the awards went on sale in April; and an exhibition, held in conjunction with the Design Council, is being mounted in various British cities from July.

Winners

The 175 winners of awards in 1990 were chosen from 1,355 applicants, the highest number since 1979. Companies already holding awards were recognised in 24 cases: 19 for export achievement and five for technological achievement. The winners of the awards are listed on pp 177-8. Further information can be obtained from the Queen's Awards Office, Dean Bradley House, 52 Horseferry Road, London SW1P 2AG.

Export Achievement

Export achievement awards are made for a 'substantial and sustained increase in export earnings to a level which is outstanding for the products or services concerned and for the size of the applicant unit's operations'.

Technological Achievement

Awards in this category are made for a 'significant advance, leading to increased efficiency, in the application of technology to a production or development process in British industry, or the production for sale of goods which incorporate new and advanced technological qualities'.

Export Achievement Awards

Advisory Services Holdings Group
AgriSense-BCS
Align-Rite
Apollo Fire Detectors
Aquascutum Group
Armabord
Automotive Products (Industrial Clutch Division)
Baker & McKenzie
Bermans & Nathans
Biomet
The Body Shop International
Bonas Machine Company
Border Holdings (UK)
British Ceramic Service Company
British Replin
British Sidac
British Steel Stainless
Butterley Brick
C & S Antennas
C B Brook & Co
Caledonian Airmotive
Cambridge Research Biochemicals
Chaucer Foods
Chivas Brothers
The College of Petroleum Studies
Courtaulds Speciality Plastics
Crabtree of Gateshead
Crockett & Jones
Crosrol
Crosslee
Crystalox
Datapaq
Dent Instrumentation
Douglas Laing & Company
Dunhill Scotch Whisky Sales
Dunkirk Metals
Eclipse Blinds
Edgeworth Electronics
Electrolux (Floor Care Division)
Ethicon
Fairbank Brearley
Fairey Industrial Ceramics
Filtermist International
Glaxo Holdings
Gloster Leisure Furniture
Gluck Engineering Company
W Harold John (Metals)
Hazleton Laboratories Europe
Hepco Slide Systems
Heraeus Noblelight
History Craft
HMB Subwork
Hunt & Moscrop
ICI Agrochemicals
Imperial College of Science, Technology & Medicine
IOP Publishing
John Brown Engineering
John Guest
Kodak
Kvaerner (UK)
Ladbroke Group (Hilton Hotels Division)
Laidlaw Drew
Rover Group (Land Rover Commercial Division)
Leslie Hartridge (Special Products Division)
The London School of Economics & Political Science
Lowe Refrigeration Company
LWT (Holdings)
M F Industrial
Mars GB (Pedigree Petfoods Division)
McLellan & Partners
Metrotect
Mordaunt-Short
Morning Foods
MTM
Murray Allan of Innerleithen
Neve Electronics International
Norbrook Laboratories
Orthotech (UK)
Oyster Marine
Pains-Wessex
Parker Bath Developments
Pendle & Rivett, trading as Fintex of London
Phil Ayliff Products
Pobjoy Mint
Portmeirion Potteries
Premier Brands UK (Premier Biscuits Division)
Psion
Purolite International
QDF Components
Quayle Dental Manufacturing Co
R Mears & Co
Radiodetection
Randox Laboratories
Rediffusion Simulation
Redwood International
Reediehill Deer Farm
Reynard Racing Cars
Reynolds & Kent
Ronacrete
Salford Electrical Instruments (Automotive Electronics Division)
Sandon Flexographic Printing Rollers
Serif Cowells
Serono Diagnostics
Sharp Manufacturing Company of UK
Snell & Wilcox
Sony Manufacturing Company UK
Sperrin Metal Products
Springpart Manufacturing
Stirling Aquaculture
Sunset + Vine
Supertrack
T B S Engineering
Tankard Carpets
Technophone
Tiphook Group
Trusthouse Forte
Unipath
Vascutek
Vico Sutures
Vitramon
Walker Filtration
Wellman Process Engineering
White & Company (Earls Barton)
Willan-Wogen Alloys
Wolfe Publishing
Yale Materials Handling

Technological Achievement Awards

Allied Colloids (Paper Division)	High-quality paper and board
Allied Colloids (Research Department)	Production process for vinyl amino esters
Amersham International (Clinical Reagents Division) jointly with the Wolfson Research Laboratories of the University of Birmingham	Amerlite laboratory diagnostic system
Applied Materials (Implant Division)	Implantation equipment for semiconductor manufacture
Applied Video Systems, trading as AVS	Conversion of television signals between incompatible systems
Bonas Machine Company	High-speed electronic jaquard for broadcloth weaving
British Telecom, Research & Technology (Main Optical Networks Division [RT45])	Optical receivers for undersea cables
Chas A Blatchford & Sons	Lightweight lower-extremity artificial limbs
Croda Application Chemicals	Dicrol CPS, an oil for cold steel rolling
Dowty Maritime Ocean Systems of Dowty Maritime	Thermal linescan recorder
Elcometer Instruments	Microprocessor for controlling thickness gauges
EM Electronics	Ultra low-level direct current voltage measurement
Epichem Limited jointly with the Royal Signals and Radar Establishment (Electronic Materials Division)	Metal organic precursors for semiconductors
Gems of Cambridge	Gemsys image processing system
Glaxo Group Research	Ceftazidime – an antibiotic
Glencast jointly with Steel Castings Research and Trade Association	Replicast process of producing high-quality castings
GPT Telecommunications Systems Group (Switching Networks)	System X telecommunication switching system
Gullick Dobson (Technical Department)	Automated mine roof support system
ICI Cellmark Diagnostics jointly with the Lister Institute of Preventive Medicine	DNA fingerprinting
ICI Chemicals & Polymers (The Electrochemical Technology Business)	Membrane electrolyser for large-scale chemical production
ICI Colours & Fine Chemicals	Benzodifuranone-based dyes
ICL Retail Systems	Point of sale checkout scanning system
INMOS (Product Development Division) jointly with Oxford University Computing Laboratory	Design of parallel microprocessors
J McIntyre (Non Ferrous)	Energy-saving unit for recycling aluminium scrap and waste
Lucas Aerospace (Actuation Division)	Geared rotary actuators for aircraft flap systems
Lumonics	JK 700 Series industrial laser system
Micro Focus Group	COBOL/2 work bench
Mineral Industries Computing	Software for mineral deposit evaluation
NEI International Combustion	Low nitrogen oxides combustion in power station boilers
The NERC ICP-MS Facility jointly with VG Elemental	Inductively coupled plasma mass spectrometry system
Pearpoint	Solid state mono and colour coupled charge device cameras
Perkins Engines Group	Prima direct injection high-speed diesel engine for vehicles
Philips Components	Advanced manufacturing techniques for television deflection units
Pilkington PE	Production process for fabrication of holographic optical elements
Renishaw Metrology	Motorised probe heads incorporating patented kinematic location system
Rolls-Royce (Design Engineering Group) jointly with the Royal Aerospace Establishment (Propulsion Department)	Aircraft engine noise reduction technology
Sericol Group	Photo stencil emulsions for screen printing
Smiths Industries Aerospace and Defence Systems: Cheltenham Division (Flight Deck Display Systems Unit)	Advanced light-emitting diode display systems for commercial jet aircraft
STC Submarine Systems	Optical fibre submarine cable system
STC Technology	Bipolar and complementary metal oxide semiconductor devices in the same integrated circuit
Wellcome Research Laboratories	Retrovir for the treatment of HIV infection
Yarrow Shipbuilders	Type 23 frigate

Oil and Gas

Exploration activity in Britain's offshore oil and gas industry remained at a high level in 1989, although oil production fell by nearly 20 per cent and gas production by just over 2 per cent. The highest total of exploration and appraisal wells since 1984 were drilled and 29 significant discoveries were made. British suppliers gained 81 per cent of the value of orders for goods and services on the United Kingdom Continental Shelf.

The Government has announced both the twelfth offshore oil-licensing round and the first oil-licensing round to encourage exploration in the frontier areas of the North Sea.

The Department of Energy's 1990 review of Britain's oil and gas development, published on 30 April,[1] also covers the economic, industrial, safety and environmental aspects of oil and gas production.

Oil and Gas Production

Britain's total oil production (see Table 1) declined from 114·5 million tonnes in 1988 to 91·8 million tonnes in 1989. This latter figure includes 3·7 million tonnes of heavier natural gases, 0·7 million tonnes of condensate and 0·7 million tonnes of onshore crude oil (of which 0·5 million tonnes were produced from the Wytch Farm field and the remainder from minor fields in the East Midlands, Hampshire and Dorset). Eight new offshore oilfields and one onshore (Scampton North in the East Midlands oilfield) came onstream in 1989, bringing the total number in production to 44 offshore and 11 onshore fields.

In 1989 gas produced (see Table 2) from the United Kingdom Continental Shelf (UKCS) amounted to 44,701 million cubic metres,[2] compared with 45,726 million cubic metres in 1988. Supplies of UKCS gas to British Gas accounted for 79·8 per cent of its total supplies (UKCS production plus imports). Four new offshore gasfields came onstream in 1989, bringing the number in production (including one onshore field) to 29.

Exploration and Development

During 1989, 94 exploration and 89 appraisal wells were started. The mature provinces of the North Sea accounted for about 87 per cent of this drilling activity.

In 1989, 29 offshore discoveries were announced: 13 of gas, nine of oil, four of oil and gas, two of gas condensate and one of condensate. Onshore, 16 exploration and one appraisal wells were started, and five discoveries made: one in West Sussex, one in the East Midlands, one in North Yorkshire, one in Humberside and one in Strathclyde. The figures for offshore discoveries are the highest since drilling began in the UKCS.

Twelve offshore oilfields, seven offshore gasfields and two onshore oilfields were under development on the UKCS at the end of 1989, and 154 development wells were drilled during the year, 13 less than in 1988, but still more than in any other year.

[1] *Development of the Oil and Gas Resources of the United Kingdom 1990.* HMSO, £22·50. ISBN 0 11 412959 2.

[2] 1 cubic metre = 35·31 cubic feet.

Reserves

The estimate of proven plus probable initially recoverable oil reserves in present discoveries shows a slight increase from 2,380 million tonnes in 1988 to 2,480 million tonnes in 1989. Possible reserves are estimated to remain at 610 million tonnes. The maximum possible total shows a slight increase, from 2,990 million tonnes in 1988 to 3,090 million tonnes in 1989. After taking account of cumulative oil production to the end of 1989 – 1,282 million tonnes – remaining recoverable oil reserves in present discoveries are estimated to be in the range of 510 to 1,810 million tonnes.

Proven plus probable plus possible initially recoverable gas reserves in present discoveries now stand at 2·48 million million cubic metres. Proven plus probable reserves have increased from 1·86 million million cubic metres in 1988 to 1·89 million million cubic metres in 1989. After deducting cumulative gas production to the end of 1989 of 706,000 million cubic metres, remaining recoverable gas reserves in present discoveries are estimated to be between 560,000 million and 1·77 million million cubic metres.

Potential additional reserves (reserves found by exploration drilling about which insufficient is known to classify them as possible discovered reserves) are put at between 85 million and 210 million tonnes for oil and between 120,000 million and 260,000 million cubic metres for gas.

Estimates of undiscovered recoverable reserves, says the report, need to be treated with caution. The database for the calculations, however, has been updated as maps are modified to take account of new seismic information and the results of wells drilled during 1989. Detailed assessments have been made in the northern and central North Sea, in the Southern Basin and Irish Sea, and in the East Midlands, North Yorkshire, Humberside, Weald, Usk (Gwent), and south-east England. Estimates for undiscovered oil lie in the range of 530 million to 3,140 million tonnes. For undiscovered gas, associated gas (that is, associated with oil accumulations) and condensate, the estimated range is 210,000 million to 1·15 million million cubic metres.

Economic and Industrial Aspects

In 1989 UKCS oil and gas production accounted for about 2 per cent of Britain's gross national product at factor cost. Total revenue from the sale of oil and gas produced from the UKCS in 1989 is estimated to have been £7,300 million and £2,100 million respectively. Tax and royalty receipts attributable to UKCS oil and gas are estimated to have been £2,300 million in 1989-90 (see Table 3). Gross capital investment in the mineral oil and natural gas extraction industry (including investment by drilling and other contractors providing services to the industry) is estimated at some £2,600 million in 1989 (an increase of 25 per cent on 1988), about 13 per cent of British industrial investment and 3 per cent of gross domestic fixed capital formation. Total investment between 1965 and 1989 came to about £37,000 million (£65,000 million in 1989 prices). Some 30,700 people were employed offshore in September 1989.

Table 1
Oil Production

million tonnes

Offshore fields	1984	1985	1986	1987	1988	1989
North Alwyn	–	–	–	0·1	3·2	3·9
Argyll	0·4	0·4	0·5	0·4	0·4	0·3
Auk	0·6	0·5	0·5	0·5	0·5	0·3
Balmoral	–	–	[a]	1·6	1·7	1·7
Beatrice	2·2	2·5	2·0	1·6	1·5	1·2
Beryl	4·3	4·9	4·6	4·4	4·8	4·8
Central Brae	–	–	–	–	–	0·1
North Brae	–	–	–	–	1·4[b]	3·1
South Brae	3·9	4·1	5·1	4·8	4·5	2·1
Brent	20·0	19·9	19·5	17·7	16·1	9·5
Buchan	1·1	0·9	1·1	1·0	1·0	0·6
Claymore	5·0	4·3	3·9	4·0	1·7	0·2
Clyde	–	–	–	1·6	2·5	1·8
North Cormorant	4·4	5·0	5·0	4·1	4·0	2·9
South Cormorant	1·7	2·0	2·2	1·9	2·0	0·5
Deveron	0·1	0·3	0·3	0·3	0·2	0·2
Duncan	0·6	0·7	0·4	0·2	0·1	0·1
Dunlin	3·1	2·5	2·0	2·4	2·4	1·9
Eider	–	–	–	–	0·1	1·9
Forties	20·3	18·4	16·5	15·9	14·2	10·3
Fulmar	6·0	5·2	7·5	7·2	7·2	5·3
Glamis	–	–	–	–	–	0·2
Heather	1·2	1·1	1·0	0·9	0·7	0·6
Highlander	–	1·0	1·3	1·4	0·7	1·1
Hutton	1·3	2·8	3·8	3·0	3·1	2·1
North-West Hutton	2·4	2·2	2·3	1·4	1·4	0·8
Innes	–	0·2	0·2	0·1	0·1	0·1
Ivanhoe	–	–	–	–	–	0·5
Linnhe	–	–	–	–	–	[a]
Magnus	5·6	6·0	6·0	6·0	6·7	6·8
Maureen	3·8	3·8	3·6	3·5	3·0	2·6
Montrose	0·8	0·6	0·6	0·6	0·5	0·2
Murchison (UK)	2·9	3·1	2·9	2·9	2·4	1·4
Ness	–	–	–	0·3	0·8	0·7
Ninian	11·6	10·9	9·7	7·5	7·0	6·2
Petronella	–	–	[a]	0·5	0·3	0·5
Piper	8·9	9·0	8·4	8·0	3·2	–
Rob Roy	–	–	–	–	–	0·8
Scapa	0·1	0·2	0·4	1·0	0·7	0·6
Statfjord (UK)	3·5	4·5	5·4	5·7	5·4	5·4
Tartan	1·2	1·2	1·0	1·6	0·7	0·7
Tern	–	–	–	–	–	0·9
Thistle	4·2	3·7	3·0	2·7	2·5	1·4
Crude oil from offshore fields[c]	121·0	122·1	120·7	117·1	108·7	86·7
Crude oil from onshore fields[c]	0·3	0·4	0·5	0·6	0·8	0·7
Liquefied products from oil and gasfields:						
Condensate	0·6	0·7	0·7	0·8	0·8	0·7
Heavier natural gases	4·1	4·5	5·1	4·9	4·2	3·7
Total production	126·1	127·6	127·1	123·4	114·5	91·8

[a] Less than 50,000 tonnes.
[b] Production from gas condensate reservoir.
[c] Includes condensates and residual dissolved gases present in the disposal of stabilised crude oil by the industry.
Note: Differences between totals and the sums of their component parts are due to rounding.

Table 2
Gas Production

million cubic metres

	1984	1985	1986	1987	1988	1989
North Alwyn	–	–	–	1	2,840	2,947
Audrey	–	–	–	–	660	1,865
Bure	–	–	–	270	291	269
Camelot	–	–	–	–	–	242
Cleeton	–	–	–	–	278	1,097
Esmond	–	591	970	1,202	1,049	1,317
FLAGS[a]	5,271	6,139	6,561	6,435	6,366	5,504
Forbes	–	107	305	467	294	161
Frigg	6,167	6,241	5,720	5,310	4,986	3,363
Fulmar	–	–	196	507	553	370
Gordon	–	177	528	484	532	571
Hewett area	3,631	3,413	3,336	2,720	2,176	1,908
Indefatigable	5,590	5,323	6,186	6,430	4,448	4,239
Ivanhoe and Rob Roy	–	–	–	–	–	86
Leman	9,376	10,943	10,029	10,903	9,506	7,241
South Morecambe	–	90	604	1,441	975	1,138
Piper/Tartan area[b]	796	807	777	944	437	235
South Ravenspurn	–	–	–	–	–	97
Rough	55	92	7	–	–	–
North and South Sean	–	–	202	391	321	344
West Sole	1,899	1,771	1,695	1,576	1,520	1,482
Thames	–	–	351	1,106	860	926
North Valiant	–	–	–	–	121	469
South Valiant	–	–	–	–	110	507
Vanguard	–	–	–	–	60	436
Victor	472	1,485	1,600	1,578	1,436	1,414
Viking area	3,197	3,450	3,712	3,166	2,599	2,068
Vulcan	–	–	–	–	428	1,941
Yare	–	–	–	210	264	269
Total	38,529	42,971	45,304	47,641	45,755	44,745

[a] Gas delivered to land via the FLAG system gas pipeline.
[b] Gas used offshore or delivered to land via the Frigg pipeline system.
Note: The total includes associated gas, mainly methane, produced and used mainly on Northern Basin oil production platforms, and a small amount of gas produced onshore.

Table 4 shows the relationship between oil and gas production and primary fuel consumption. Britain's production of oil and gas in 1989 corresponded to about 43 per cent and 18 per cent of total primary fuel consumption respectively. Oil production, at 91·8 million tonnes, exceeded consumption (81·6 million tonnes), and there was a substantial export and import trade in crude oil.

In 1989 the total value of orders reported by operators for oil and gas development work on the UKCS was a record £3,949 million, of which the British share was £3,212 million (81 per cent). During 1989 increased exploration and development resulted in the value of orders being some 57 per cent higher than in 1988 (see Table 5).

Table 3
Taxes and Royalties Attributable to UKCS Oil and Gas

£ million

	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90 (provisional)
Royalties	2,426	2,057	919	1,024	602	600
Petroleum revenue tax	7,177	6,375	1,188	2,296	1,371	1,100
Corporation tax						
Before advance corporation tax (ACT) set-off	2,432	2,916	2,676	1,325	1,230	700
ACT set-off	1,244	1,085	1,130	700	720	400
Mainstream corporation tax	1,188	1,831	1,546	625	510	300
Total	12,035	11,348	4,783	4,645	3,203	2,300

Note: Differences between totals and the sums of their component parts are due to rounding.

Table 4

Britain's Primary Fuel Consumption Compared with Oil and Gas Production

million tonnes of oil or oil equivalent

	1984	1985	1986	1987	1988	1989 (provisional)
Primary fuel consumption						
Coal	46·5	62·0	66·8	68·3	65·9	63·2
Petroleum	89·9	78·3	77·7	75·4	80·1	81·6
Natural gas	45·0	48·4	49·2	50·5	47·9	47·2
Nuclear electricity	11·5	13·0	12·6	11·7	13·5	15·3
Hydro-electricity	1·2	1·3	1·4	1·2	1·4	1·4
Total	194·1	203·0	208·6	210·0	211·9	211·9
Oil production	125·9	127·8	126·9	123·3	114·4	91·8
Gas production	33·2	37·1	38·9	40·8	39·3	38·2

Note: Differences between totals and the sums of their component parts are due to rounding.

Licensing

Under the eleventh offshore petroleum licensing round (see p 201, 1989) 105 awards were made, covering 115 blocks (101 in the North Sea), in June 1989. The third onshore licensing round, announced in July 1989, resulted in 25 applications from 31 companies for 82 blocks. In December, 22 exploration licences were awarded to 30 companies or groups of companies.

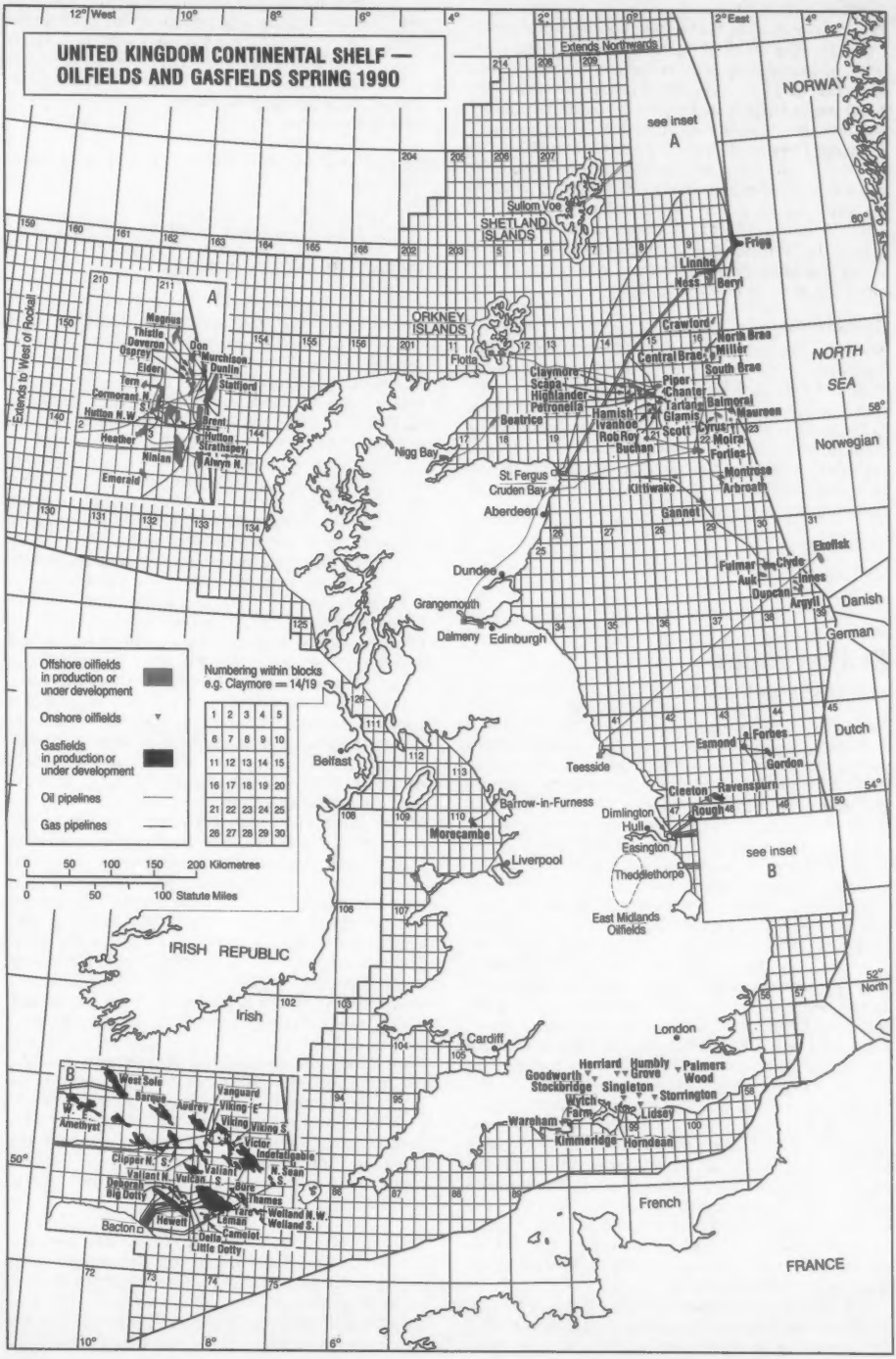
The Government has opened the twelfth offshore-oil-licensing round, putting 120 blocks and groups of blocks on offer across the most prospective areas of the UKCS, concentrated on the northern, central and southern North Sea, and in the Moray Firth. Making the announcement in the House of Commons on 26 April (*Hansard,* Vol 171, No 94, cols 277-8), the Minister of State for Energy, Mr Peter Morrison, said that the exploration from a round containing this number and range of blocks would ensure that the UKCS remained a major oil province well into the next century. Applications would be returnable in December 1990.

Table 5

Analysis of Orders* Placed for Goods and Services for Developments on the UKCS during 1989

	Value of orders in £ million		British percentage	British percentage in 1988
	Total	British share		
Exploration				
Surveying	92	69	75	77
Exploration and appraisal drilling	190	162	85	86
Sub-total	282	231	82	83
Development				
Production platforms	962	931	97	96
Installation operations	87	49	56	61
Plant and equipment	512	415	81	82
Submarine pipelines	529	266	50	72
Development drilling	127	107	84	89
Terminals	60	57	95	90
Sub-total	2,277	1,825	80	85
Production				
Maintenance and production	403	369	92	95
Sub-total	403	369	92	95
General services (excluded wherever possible from above)				
Transport	286	249	87	87
Diving and underwater services	98	94	96	93
Drilling tools and equipment	447	325	72	77
Support of personnel offshore	96	61	64	96
Miscellaneous	60	58	97	86
Sub-total	987	787	80	82
TOTAL	3,949	3,212	81	84

*The figures represent orders over £100,000 in value for all sectors.


UNITED KINGDOM CONTINENTAL SHELF — OILFIELDS AND GASFIELDS SPRING 1990
Extends Northwards
NORWAY
see inset A
Sullom Voe
SHETLAND ISLANDS
Frigg
Linnhe
Ness
Beryl
ORKNEY ISLANDS
Flotta
Crawford
North Brae
Miller
Central Brae
South Brae
NORTH SEA
Claymore
Scapa
Highlander
Piper
Chanter
Tartan
Balmoral
Petronella
Glamis
Maureen
Beatrice
Hamish
Ivanhoe
Rob Roy
Scott
Cyrus
Buchan
Moira
Forties
Nigg Bay
St. Fergus
Cruden Bay
Montrose
Arbroath
Aberdeen
Kittiwake
Gannet
Norwegian
Extends to West of Rockall
Magnus
Thistle
Deveron
Osprey
Eider
Don
Murchison
Dunlin
Statfjord
Tern
Cormorant N.
Cormorant S.
Hutton N.W.
Hutton
Strathspey
Brent
Alwyn N.
Heather
Hinian
Emerald
Dundee
Elgin
Fulmar
Clyde
Auk
Innes
Duncan
Argyll
Ekofisk
Danish
German
Grangemouth
Dalmeny
Edinburgh
Offshore oilfields in production or under development
Onshore oilfields
Gasfields in production or under development
Oil pipelines
Gas pipelines
Numbering within blocks e.g. Claymore = 14/19
0 50 100 150 200 Kilometres
0 50 100 Statute Miles
Belfast
Teesside
Esmond
Forbes
Gordon
Dutch
Cleeton
Ravenspurn
Rough
Barrow-in-Furness
Dimlington
Hull
Easington
Morecambe
Liverpool
Theddlethorpe
see inset B
East Midlands Oilfields
IRISH REPUBLIC
Irish
Cardiff
London
Herrard
Humbly Grove
Palmers Wood
Goodworth
Stockbridge
Singleton
Storrington
Wytch Farm
Lidsey
Wareham
Kimmeridge
Horndean
French
FRANCE
North
B
West Sole
Barque
Audrey
Vanguard
Viking E.
Viking
Viking S.
W.E.
Amethyst
Victor
Indefatigable
Clipper N.
Clipper S.
Valiant N.
Vulcan
Valiant
N. Sean
S.
Deborah
Big Dotty
Bure
Thames
Tare
Welland N.W.
Welland S.
Bacton
Hewett
Leman
Camelot
Delta
Little Dotty

Frontier Licensing

A first oil-licensing round to encourage exploration in the frontier areas of the North Sea, in deep water whose detailed geology is largely unknown, was launched on 19 April. Eleven licences will be on offer for areas, substantially larger than usual, containing 117 blocks to the north of Scotland. Commenting on the round (*Hansard*, Vol 170, No 90, cols 997-8), Mr Morrison said that licensees would be expected to carry out seismic exploration in the first part of the initial phase of the licence and drilling in the second part. 'A feature of the licences granted in these areas', he continued, 'will be extended terms to allow licensees longer periods in which to plan and carry out activity on the licences'.

Offshore Safety

The Piper Alpha public inquiry (see pp 197-8, 1989) continued throughout 1989 and finished taking evidence in February 1990. The Government has said that it will act on any improvements to the offshore safety regime that the inquiry may recommend. The Department of Energy spent some £6 million in 1989 on safety research and development, with the oil and gas industry contributing a similar amount towards joint projects.

Shorter Notes

NITRATE SENSITIVE AREAS

The first ten nitrate sensitive areas (NSAs – see p 321, 1989, and p 115) and a further nine advisory areas, all in England, have been designated, to come into effect by 1 June. Making the announcement in the House of Commons on 3 April, the Minister of Agriculture, Fisheries and Food, Mr John Gummer, said that the scheme was 'aimed at tackling the problem, experienced throughout Europe and elsewhere, of unacceptable levels of nitrate leaching from farmland into water sources'. Under the basic scheme, payments would be made to farmers for observing limits, at or below the economic optimum levels, on fertiliser application on all their NSA land. The restrictions, which would also include a crop cover requirement to minimise bare land in the autumn, when most leaching occurs, and a maximum rate and improved timing of organic manure application, would still enable farmers to maintain current farming patterns. Payments would vary, depending on the NSA, in line with overall differences in the costs of compliance between different areas. Farmers who participated in the basic scheme would also be able to enter the premium scheme, by converting some or all of their arable land to various forms of grassland. Those in the advisory areas would be encouraged to follow voluntarily practices designed to reduce the risk of nitrate leaching, at little or no cost to themselves, or even at a small benefit.

Proposed basic rates of payment range from £55 to £95 a hectare. Premium rates range from £380 a hectare for up to 25 per cent of the total holding to £200 a hectare for over 75 per cent of the total holding. These would be adjusted for unfertilised grazed grass (£30 a hectare less), for grass with up to 150 kg (330 lb) of nitrate a hectare (£110 a hectare less), and for grass and woodland (£100 a hectare less), though here the Farm Woodland Scheme (see p 115) would also apply.

Source: *Hansard*, Vol 170, No 86, written answers, cols 546-8.

PRIVATE FINANCE FOR ROADS

A series of new initiatives for privately funded roads was announced by the Secretary of State for Transport, Mr Cecil Parkinson, in the House of Commons on 4 April. Mr Parkinson said that the general response to the Government's Green Paper on privately financed roads, published in May 1989 (see pp 239-40, 1989), had been encouraging, with the overall message 'one of wide support for the Government's aims'. As a result, three major additions were being made to the proposals in the Green Paper, in order 'to enhance the attraction of major road schemes for private sector funding by reducing some of the uncertainties'. For example, the Government's response to the Green Paper says that the legislation will include a more precise definition of 'monopoly' roads requiring statutory control of toll levels; tolls not controlled statutorily would be brought within the scope of competition legislation, reflecting the Government's wish for tolls to be determined as far as possible by the free market.

The Secretary of State also announced details of specific projects, including his intention to select a privately funded proposal for a second Severn Bridge between England and Wales. The £270 million project would be designed, built, financed and operated by a consortium of John Laing and GTM Entrepose. In addition, Mr Parkinson announced invitations to tender for a northern relief road for Birmingham and invited preliminary proposals for a privately funded road between Birmingham and Manchester. He also invited views about the suitability of six other schemes for private finance, including a new crossing of the River Thames, east of the M25 London Orbital Motorway; a link between the M25 and Chelmsford (Essex); a new crossing of the River Tamar (near Plymouth); and a new crossing of the River Mersey to serve Liverpool Airport.

Mr Parkinson said that the Government was also willing to consider proposals for the private financing of any scheme in the roads programme. All privately financed roads would be subject to the same form of environmental assessment as public schemes. The Government would insist that the roads were 'designed and built to the highest standards'.

Sources: *Hansard*, Vol 170, No 87, written answers, cols 612-13; Department of Transport news releases, 4.4.90; *Private Finance for Roads – Government Response to Consultation on 'New Roads by New Means'*. Available free from the Department of Transport, 2 Marsham Street, London SW1P 3EB.

AIR TRAFFIC CONTROL

In response to a British initiative, ministers of the 23 member states of the European Civil Aviation Conference (ECAC) have agreed a programme to increase air traffic control capacity in Europe by integrating air traffic control systems and by optimising the air traffic route network. Details were given by the Secretary of State for Transport, Mr Cecil Parkinson, in the House of Commons on 26 April.

Mr Parkinson said that it was 'an important and historic agreement which should greatly contribute to the welfare of European civil aviation in the years ahead'. The programme committed member states to intensify work on measures to handle safely the forecast growth in traffic to the end of the century. Ministers had agreed to harmonise air traffic control systems in high-density traffic areas by 1995, and elsewhere not later than 1998; to optimise the air traffic services route network and airspace structure by 1995; to achieve comprehensive radar coverage throughout the continental ECAC area by 1995; to reduce safe minimum separation distances between aircraft to 5 nautical miles[1] in high-density areas and 10 nautical miles elsewhere; and to complete automatic data links between air traffic control centres and aircraft from 1998 onwards.

The programme will be managed by Eurocontrol, which has 11 member states – Belgium, Britain, the Federal Republic of Germany, France, Greece, the Irish Republic, Luxembourg, Malta, the Netherlands, Portugal and Turkey – and is based in Brussels. Mr Parkinson said that at the meeting four states had indicated their intention to apply for membership and a further four had recently been accepted. Ministers had reaffirmed their wish for the remaining ECAC states to join Eurocontrol.

In recent years Britain has put forward a number of initiatives to deal with increasing air traffic in Europe, including the Central Flow Management Unit, which is expected to start operations in 1993 (see pp 356-7, 1989). For Britain the Civil Aviation Authority has a substantial investment programme (see p 279, 1988), now amounting to about £100 million a year.

Source: *Hansard*, Vol 171, No 94, written answers, cols 265-6.

[1] 1 nautical mile = 1·852 km.

Action against Drug Abuse and Trafficking

The Government's strategy to combat drug misuse was outlined by the Prime Minister, Mrs Margaret Thatcher, in a speech to the World Ministerial Drugs Summit in London on 9 April. The detailed strategy is set out in a booklet published by the Home Office. International co-operation on preventing the 'laundering' of drug traffickers' proceeds is recommended by a task force established by the 1989 Economic Summit held in Paris.

DRUGS SUMMIT

Hosted by the British Government in association with the United Nations, the World Ministerial Summit to Reduce the Demand for Drugs and to Combat the Cocaine Threat was held from 9 to 11 April and attended by 160 delegations, including representatives from 130 countries and nine dependent territories. In addition to plenary sessions, the work of the conference was conducted in two committees, one on drug demand reduction and the other on the cocaine threat. The conference was chaired by the Home Secretary, Mr David Waddington.

Prime Minister's Speech

Addressing the opening ceremony, Mrs Thatcher warned of the 'insidious threat to our way of life from drugs and from the evils they bring in their wake', but drew encouragement from the co-operative efforts of the international community to tackle the issue. 'The problems are worldwide, and solutions will only be found if we put together all our resources and our expertise in a great common effort.' Moves to curb production, she noted, had met with some success, and action was being taken against drug trafficking by increased co-operation between national police and customs authorities and by confiscating the assets of the traffickers. Britain had already signed 13 bilateral agreements on such co-operation and two more would shortly be signed with Italy and Saudi Arabia (see p 188). Mrs Thatcher also welcomed the promotion of wider co-operation against the laundering of drug money.

Reducing Drug Demand

Emphasising the conference's theme of reducing drug demand, the Prime Minister said that the problem was never going to be solved by governments and police forces alone, and she identified preventive publicity and education, family guidance and community-based initiatives as specific areas where attention should be concentrated. In addition, she called for improved counselling, treatment and rehabilitation for drug abuse victims, and rejected drug legalisation as a policy option. 'Our task is to protect young people, not deliberately to expose them to danger. I can assure you that our government will never legalise illicit drugs, hard or soft.' Mrs Thatcher also announced the establishment of a British 'task force' of experts to advise developing countries on planning and implementing their own programmes of drug demand reduction.

The Cocaine Threat

The second purpose of the conference was to consider the growing threat from cocaine in its various forms, including the derivative 'crack', and Mrs Thatcher called for an examination of every aspect of what was recognised as an increasingly widespread problem, again highlighting the need for international co-operation between police and customs authorities. To that end a new unit had been set up within HM Customs and Excise to provide training overseas and to give advice to other countries on how to combat drug trafficking. Requests for help and training had so far been received from 22 countries for the coming year, and £21 million was to be made available over the next three years for drugs-related assistance from Britain to a wide range of countries. The Prime Minister announced specific funding of over £1 million for Britain's dependent territories in the Caribbean, and a grant of aid worth £4·5 million to Colombia, in support of President Barco's continuing battle against the cocaine drugs cartels.[1] (An initial aid package for Colombia was announced in September 1989 – see p 392, 1989.)

Environmental Aspects

Acknowledging the environmental aspects of the problem, Mrs Thatcher noted the damage to rainforests from land clearance for drug cultivation, and stressed the need to develop markets for natural forest products to provide an alternative income for farmers living in drug-producing regions. To that end the British Government was assisting the environmental pressure group 'Friends of the Earth' in the organisation of an international conference in London in May 1990 on rainforest harvest.

[1]The £4·5 million will largely consist of training and equipment for Colombia's law enforcement authorities.

Conclusions

In conclusion, Mrs Thatcher said: 'You are dealing with some of the most difficult problems of all. To reduce demand takes longer than to reduce supply, and it will require years of patient effort in all our countries. But your work over the next two days can set us all on the right course, and your success will help to determine the quality of life and the health of our young people for generations to come.'

Other Speeches

The United Nations Secretary-General, Sr. Perez de Cuellar, said that the need to focus on the demand aspect of the drug problem had been recognised at the UN General Assembly's recent Special Session on Drugs in February (see pp 110-11). He said that the world traffic in illicit drugs, amounting to an estimated $5,000 million a year, was an issue necessitating a global response that only the United Nations could effectively provide. He also stressed the need for a combined effort by governments, by international, national and non-governmental organisations, by both the public and private sectors and above all by communities to tackle drug misuse.

President Barco of Colombia said that the fight against drugs would only be won when 'we have succeeded in penetrating the hearts, minds and habits of the consumers', and he welcomed the conference's emphasis on demand reduction as a major step forward. Supporting multilateral action as the most appropriate strategy, the President said that there was general agreement on the need to set up a United Nations agency with sufficient power and resources to provide effective guidance and co-ordination.[1]

Summit Declaration

The conference concluded with the unanimous adoption of a political declaration stressing the importance of national strategies, increased resource allocation (and technical co-operation between developed and developing countries), information campaigns and initiatives, education of young people, research into causes of drug abuse, and treatment and rehabilitation. Acknowledging the threat of the spread of HIV infection and AIDS through drug misuse by injection and the need to draw greater numbers of drug abusers into contact with treatment services, the conference called for inter-agency co-operation at the local community and neighbourhood level and commended the establishment of local drug liaison committees.

Endorsing the need for an international strategy to combat the cocaine threat, the conference called for a comprehensive and multidisciplinary approach comprising measures to reduce demand, eliminate illicit cultivation and trafficking, prevent the laundering of funds derived from the drug trade and rehabilitate misusers. It also welcomed the Political Declaration and Global Programme of Action adopted at the February UN General Assembly Special Session, in particular the proposal that the UN Fund for Drug Abuse Control should elaborate a subregional strategy for drugs control concentrating on the most affected areas. One such area is the Andean subregion and the conference endorsed the understandings (regarding economic co-operation, alternative development, encouragement of trade and investment, and anti-trafficking measures) reached at the Cartagena meeting between the Presidents of the United States, Peru, Bolivia and Colombia, also held in February.

To encourage crop substitution and the eradication of illicit cultivation, the conference recognised that financial assistance and new economic opportunities for growers were necessary, and that greater emphasis should be given to developing markets for natural forest products in order to provide alternative sources of income for growers. Particular importance was attached to monitoring and controlling the movement of precursor chemicals to prevent their diversion from licit purposes, and the conference welcomed the idea of an international meeting on this aspect.

The conference also called for greater exchange of drugs intelligence information by law enforcement authorities, supporting the establishment of national drugs intelligence centres and the appointment of drug liaison officers. Stressing the significance of the 1988 UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (see p 15, 1989), the conference pressed for ratification as soon as possible. Finally there was a commitment to accelerate efforts to negotiate bilateral and multilateral agreements for the identification and confiscation of the proceeds of drug trafficking.

[1]At the recent United Nations conference (see p 111) Britain supported the idea of a single UN body to deal with the drugs problem.

BRITISH ACTION ON DRUG MISUSE

Details of British action to deal with drug misuse are set out in a booklet published in April by the Home Office.[1] The booklet acknowledges the spread of drug misuse within Britain, defining it as the non-medical use of drugs intended for recognised medical treatment and the use of drugs which have no accepted medical purpose. Produced from plants and illicitly manufactured or diverted from the licit market, such misused drugs include opioids (such as heroin and morphine), stimulants (amphetamines and cocaine), tranquillisers (benzodiazepines, such as valium), sedatives and hypnotics (barbiturates), and hallucinogens (LSD and cannabis).

An accurate assessment of the extent of drug misuse in Britain is difficult because of the covert nature of such activity, yet certain indicators can provide evidence of trends. Doctors are required to inform the Chief Medical Officer at the Home Office about patients they consider to be addicted to cocaine, heroin or a number of other opiate-type drugs. In 1989, 14,785 cases were notified, about half falling in the age range of 21 to 30. However, these represent only a small proportion of the total number of misusers.

The number and weight of drug seizures by police and customs are an imperfect but useful guide to the scale of the problem, as are figures for drug offences. The number of seizures in Britain has increased erratically during the last decade. After

[1]*UK Action on Drug Misuse: The Government's Strategy.* Available free from the Home Office, Queen Anne's Gate, London SW1H 9AT. ISBN 0 86252 501 2.

nearly doubling between 1980 and 1985, seizures rose by less than 1 per cent between 1985 and 1987. A record figure of 38,235 was then reached in 1988, representing a 25 per cent increase on seizures in the previous year. Customs' provisional figures for 1989 show that cannabis remains the most commonly intercepted drug (at over 50 tonnes, a 14 per cent increase on 1988), with seizures of cocaine and heroin significantly increasing, at 424 kg and 332 kg respectively. In addition, 139 seizures of the cocaine derivative 'crack' were made in 1989, compared with 27 in 1988 and 12 in 1987. About 30,500 persons were apprehended and dealt with for drug offences in Britain in 1988 (16 per cent more than in 1987), including some 5,000 for trafficking.

Government Strategy

The Government's strategy for reducing both the supply of, and demand for, drugs involves simultaneous action on five fronts, co-ordinated by the Home Office and with expert advice from the independent Advisory Council on the Misuse of Drugs:

1 improving international co-operation in order to curtail supplies from overseas countries;

2 increasing the effectiveness of police and customs enforcement;

3 maintaining deterrence and domestic controls;

4 promoting prevention publicity and education; and

5 improving treatment and rehabilitation.

International Action

Support for the United Nations

The Government considers improved international co-operation as central to effecting a reduction in supplies smuggled from abroad. Within the United Nations Britain is an active member of the UN Commission on Narcotic Drugs and is party to both the 1961 and 1971 Conventions regulating the licit trade in drugs worldwide. It was one of the first signatories of the 1988 UN Convention, and recent legislative changes[1] will enable Britain to ratify the Convention in full (see p 112). It also actively participated in the UN General Assembly Special Session on Drugs in February. This called on all countries to ratify existing UN drug conventions, to negotiate bilateral agreements on confiscating the assets of traffickers and to monitor trade in precursor chemicals.

Bilateral Contacts

Extensive bilateral contacts in the drugs field have also been developed. The Government is keen to encourage the use of customs memoranda of understanding, such as that with the Soviet Union, signed in 1988, and a growing number of agreements now exist for the reciprocal confiscation of the proceeds of drug trafficking. The agreements signed so far are with the United States, Canada, the Bahamas, Australia, Malaysia, Mexico, Nigeria, Spain and Sweden. Similar arrangements have been made with Anguilla, Bermuda, Gibraltar and Switzerland. Two more agreements are soon to be concluded with Italy and Saudi Arabia. Britain maintains regular contacts with the United States on the drugs issue, co-sponsoring with that country a Caribbean Drug Enforcement Conference in Barbados in 1988 (with a follow-up meeting in Jamaica in October 1989).

Multilateral Co-operation

Britain remains an active supporter of bodies such as the Customs Co-operation Council and Interpol which promote the pooling of law enforcement expertise and experience, and has now stationed Drug Liaison Officers (either police or customs officers) at British diplomatic posts in Western Europe, Asia, South America, the Caribbean and Mediterranean regions. Britain also currently chairs the Council of Europe drug co-operation body, the Pompidou Group, which is the main policy-making forum for drugs matters in Europe (see p 244, 1989). Three East European countries (Poland, Hungary and Yugoslavia) have now been invited to become full members of the Group along with the existing 20 member nations.

British Aid

Britain is providing, through the Overseas Development Administration, some £13 million over five years to support drug-related developmental projects in producer and transit countries. Home Office aid is being increased to £3 million a year from 1990-91 for overseas law enforcement training and equipment needs. The Foreign and Commonwealth Office also provides over £0·5 million a year in drug-related assistance overseas.

In addition, Britain is a major donor to the UN Fund for Drug Abuse Control, which supports drug-related programmes of assistance in producer and transit countries. Such aid has included £3·4 million towards a scheme to eradicate opium poppy cultivation in Pakistan, £3 million to India and £0·6 million to Nigeria for improvements in drug-related law enforcement, and £2·2 million to Bolivia.

Enforcement

Responsibility for the enforcement of the Government's anti-drug measures lies with the police and HM Customs and Excise. Customs control of drug smuggling relies on preventive efforts by staff at ports and airports, on coastal surveillance and on specialist investigations based on intelligence gathered from domestic and overseas sources. To improve Customs' effectiveness, the number of preventive posts has been increased by 1,060, to 3,781, in the five-year period to 1 April 1989. The number of specialist investigators has increased more than threefold from the 1979 figure of 121, to 390 at 1 April 1989. In addition, the Government is providing an annual investment of £3 million in technical aids (such as X-ray machines for scanning cargo) and a further £7 million for replacement coastal surveillance craft.

The police have a particular responsibility for dealing with offences of manufacture, supply and possession. There are 17 dedicated 'drug wings' in the eight Regional Crime Squads outside London, and three in the Scottish Crime Squad; and the workforce of the Metropolitan Police Central Drug Squad has nearly doubled, to 110 officers since

[1]The Criminal Justice (International Co-operation) Act 1990 received the Royal Assent on 5 April.

1985. In addition, the strength of police force drug squads in England and Wales, some 880 officers in 1989, has increased by more than 40 per cent since 1983. By the end of 1988 over 1,300 officers in Britain were solely engaged in the investigation of drug-related crime.

Co-operation between customs and police is demonstrated by the work of the National Drugs Intelligence Unit. This unit, which collates, analyses and disseminates intelligence on trafficking, has 100 police, customs and civilian staff. There are an increasing number of joint police/customs operations, such as the task force set up in December 1989 to target cocaine and 'crack'.

Deterrence and Domestic Controls

The maintenance of effective deterrents and tight domestic controls on drugs liable to misuse form the third element of the Government's strategy. The main legislative controls are included in the Misuse of Drugs Act 1971, prohibiting the import and export, production, supply and possession of such drugs without authorisation. Additional regulations aim to prevent drugs prescribed for legitimate medical purposes from being diverted to the illicit market. In recent years the controls have been extended to cover medium- and long-acting barbiturates, benzodiazepine tranquillisers, the so-called 'designer' drugs (derived from the controlled drugs fentanyl and pethidine) and, most recently in 1989, buprenorphine and pemoline. Supervising the legitimate production and distribution of controlled drugs is the responsibility of the Home Office Drugs Inspectorate.

To deter drug trafficking, powers to confiscate the proceeds of the crime have been introduced and maximum penalties have been increased. The maximum sentence for trafficking in hard drugs such as heroin and cocaine was increased to life imprisonment under the Controlled Drugs (Penalties) Act 1985, and the Lord Chief Justice has indicated that offences involving such drugs with a street value of over £1 million merit sentences of 14 years and upwards. There are also restrictions on parole for those sentenced to more than five years' imprisonment for drug trafficking. The number of custodial sentences of more than seven years imposed for serious drug offences rose to 104 (out of 3,523) in 1988 from a figure of 16 (out of 1,676) in 1980. Cautions for minor offences involving possession similarly increased, from 239 to 8,820, in the same period.

New powers to trace, freeze and confiscate the proceeds of trafficking were included in the Drug Trafficking Offences Act 1986 and the Criminal Justice (Scotland) Act 1987, under which a new offence of money laundering was also created (see p 336, 1986, and p 189, 1987). The scope of this offence was enlarged in the Criminal Justice (International Co-operation) Act 1990 to apply the offence to the drug trafficker (see pp 112 and 129). Over £16 million in assets have since been the subject of confiscation orders.

Prevention

Prevention is a key aspect of the Government's assault on drug misuse. Through publicity campaigns and education initiatives, targeted primarily at young people at risk, the Government has aimed to heighten awareness of the damage to health and of the other dangers of drug abuse, including exposure to HIV and AIDS (see pp 439-40, 1988, and pp 244-5 and 480, 1989). Various preventive campaigns, featuring television, cinema and radio commercials, together with press and poster advertising, have been launched since 1985, the latest in February 1990 at a cost of £3·8 million. Complementary action has also been taken by the Scottish Health Education Group.

Educational Measures

The Department of Education and Science has supported expenditure by local education authorities, over £13 million since 1986, on drugs education in schools, colleges and the youth service and on in-service training for teachers and youth workers. The Department is also to support expenditure of £7 million on preventive health education in 1990, paying particular attention to drug, alcohol and solvent abuse, as well as the dangers of smoking and AIDS. In Scotland £0·5 million has been allocated since 1985 for in-service training of teachers and community workers on health and drugs education, while in Wales nearly £1 million has been made available to enable local authorities to appoint advisory teachers for drugs education and to fund in-service teacher training.

The new national curriculum in England and Wales (see p 426, 1987) includes a statutory requirement that pupils should receive education about the harmful effects of drug misuse. Detailed guidance to schools will be issued by the National Curriculum Council.

Local Prevention

On 10 April the Home Office disclosed further details of the new drug prevention initiative first announced in October 1989 (see p 393, 1989). Locally based drug prevention teams of three or four people, reporting through a central drug prevention unit to the Ministerial Group on the Misuse of Drugs (chaired by the Home Office Minister of State, Mr David Mellor), are to be established in Birmingham, Brighton, Liverpool and the London boroughs of Hackney, Lewisham, Newham and Southwark. Plans to set up additional schemes in other areas judged at risk from drug misuse remain under discussion. With £2·5 million of Home Office funding, the teams are designed to stimulate and co-ordinate drug prevention activity within the community, particularly against cocaine in the form of 'crack'. Elaborating on this initiative at the World Ministerial Drugs Summit, the Home Secretary, Mr David Waddington, welcomed the response from local authorities and said that discussions were being extended to bring in a wide range of community groups with an active interest in drug misuse prevention.

Treatment and Rehabilitation

The Government also aims to improve treatment and rehabilitation services for drug misusers, including hospital-based services, residential rehabilitation and community-based initiatives. Health authorities have been advised on establishing a database on the demand for drug treatment and

other services by 1991. Local treatment and rehabilitation projects in England received £17·5 million from the Department of Health between 1983 and 1989, and £14 million a year of funding is available from 1989-90 to English health authorities for drug services. Support in Scotland has been doubled to over £2 million a year from 1989-90. The Welsh Office has, since 1985, allocated some £4·3 million to statutory and voluntary projects, with provision from 1990-91 of about £1·7 million a year. Drug Advisory Committees, in which the police, probation, prison, education and social services all have a role, have also been set up in health districts in England and Wales.

The Government recognises the relationship between the spread of AIDS and drug misuse, and has emphasised the need to attract to treatment services those misusers who inject. A number of needle and syringe exchange schemes have been set up in recognition that, while abstinence remains the ultimate aim, steps should be taken to reduce the risk of AIDS being spread by drug abusers unwilling to give up injecting. Pharmacists may sell needles and syringes to drug misusers, and general practitioners can also issue injecting equipment to patients receiving treatment for drug misuse. Advice on cleaning injecting equipment, drawn up in consultation with the Expert Advisory Group on AIDS, was issued to a variety of agencies working in the drugs field in January 1990. Since 1987-88, additional funding has been made available to enable drug misuse services to combat the spread of AIDS.

REPORT OF THE FINANCIAL ACTION TASK FORCE ON MONEY LAUNDERING

Announcing the publication on 19 April of the report of the Financial Action Task Force on Money Laundering, the Chancellor of the Exchequer, Mr John Major, said that the Government welcomed and fully endorsed its recommendations. The Task Force was established following resolutions on drugs issues adopted at the Paris Summit of the seven major Western industrialised nations and representatives of the European Community in July 1989 (see p 313, 1989). Comprising expert representatives from the Summit participants, including Britain, and from eight other countries (Australia, Austria, Belgium, Luxembourg, the Netherlands, Spain, Sweden and Switzerland), the Task Force reviewed existing measures to prevent the utilisation of the banking system and financial institutions for the purpose of money laundering, and to consider additional preventive efforts in this field.

To facilitate the work of the Task Force, and to utilise the expertise of its participants (from various ministries, law enforcement authorities, and bank supervisory and regulatory agencies), three working groups were created. The first, chaired by Britain, focused on statistics and methods of money laundering, the second on legal questions and the third on administrative and financial co-operation.

The report of the Task Force contains 40 recommendations for further action encompassing three main areas:

1 the improvement of national legal systems to combat money laundering;

2 the enhancement of the role of the financial system; and

3 the strengthening of international co-operation.

Improvement of National Legal Systems

The report calls on each country to 'take such measures as may be necessary, including legislative ones, to enable it to criminalise drug money laundering as set forth in the Vienna Convention' (the UN Convention against Illicit Drugs and Psychotropic Substances). The offence of drug money laundering could be extended to any other crimes for which there is a link to narcotics, and should apply at least 'to knowing money laundering activity'. Corporations as well as their employees should be subject to criminal liability. In addition to confiscation of laundered money and property and criminal sanctions, countries should also consider civil and monetary penalties 'to void contracts entered by parties, where parties knew or should have known that as a result of the contract, the state would be prejudiced in its ability to recover financial claims'.

Role of the Financial System

To enhance the role of the financial system, the report calls for improvements in laws and administrative practice relating to institutions dealing with large amounts of cash. Such institutions should be required to identify and to record the identity of their clients when establishing business relations or conducting transactions. Records should be so maintained, for at least five years, as to enable swift compliance with information requests from the competent authorities. Financial institutions should be particularly watchful for complex or unusual transactions, and should disclose any suspicions of funds arising from criminal activity to the competent authorities. Business transactions with 'no apparent economic or visible lawful purpose', originating from countries with insufficient measures against money laundering, should be examined and the findings established in writing and made available to investigators.

The report further recommends that the feasibility of measures to detect or monitor cash at the border should be studied, as should a system for notifying all domestic and international currency transactions above a fixed amount to a national central agency. Countries should also encourage the development of modern and secure techniques of money management to encourage the replacement of cash transfers.

The competent authorities regulating banks or other financial institutions, says the report, should ensure that the supervised institutions have adequate programmes to counter money laundering, and should co-operate with other domestic judicial or law enforcement authorities in investigations and prosecutions. In addition, measures should be taken to prevent the acquisition or control of a 'significant participation in financial institutions by criminals or their confederates'.

International Co-operation

The report recommends increased multilateral co-operation and mutual legal assistance in money laundering investigations and prosecutions and in cases involving extradition of offenders. Inter-

national co-operation between legal authorities 'should be supported by a network of bilateral and multilateral agreements and arrangements based on generally shared legal concepts with the aim of providing practical measures to affect the widest possible range of mutual assistance'. There should be procedures for such mutual assistance in obtaining evidence for use in money laundering investigations and prosecutions, in the identification and confiscation of criminal assets, in the co-ordination of prosecution and confiscation proceedings, and in the extradition of individuals charged with a laundering offence.

Manchester Prison

The Government has set up an inquiry, to be conducted by Lord Justice Woolf, into the recent disturbance at Strangeways Prison in Manchester.

On 1 April some 300 prisoners attending a service in the chapel attacked staff, took keys from them and gained access to the main prison; staff had to be withdrawn from the living quarters for their own safety. Many of the internal fittings and the roof were destroyed and fires lit within the prison. Prison staff gradually regained control of the buildings, although a few prisoners still refused to surrender. In the first 24 hours of the incident some 1,500 prisoners were moved out of the prison. On 26 April staff took control of the whole prison. During the incident a remand prisoner died as a result of injuries inflicted by other prisoners, and a prison officer also died in hospital, although he suffered no injuries during the disturbance.

Disturbances also took place in other prisons, notably Dartmoor and Bristol, but these were brought quickly to a close.

Details of the Woolf inquiry were announced by the Home Secretary, Mr David Waddington, on 2 April.

Home Secretary's Statement

Reporting to the House of Commons on 26 April (*Hansard*, Vol 172, No 94, cols 496-510), Mr Waddington said that the Government's strategy in dealing with these incidents had been to regain complete control 'at the earliest moment consistent with incurring as few casualties as possible among both prison staff and prisoners'. The Greater Manchester police had embarked on a major criminal investigation and those who had committed criminal offences would face the full rigours of the law. The Government was considering the possibility of creating a new criminal offence of prison mutiny. Consideration would also be given to minimise the risk of events developing as they had done in Manchester by increasing security measures. He added: 'There is a difficult balance to be struck between restricting the numbers allowed to congregate, which can itself lead to trouble, and creating a constructive regime which can make a contribution to the maintenance of control in prisons, but I am certain that this is something we must look at.' None of this work would pre-empt the outcome of Lord Justice Woolf's inquiry.

Background

Prisons are regularly inspected by Her Majesty's Chief Inspector of Prisons. In a report on Manchester Prison, published in March 1990, the present chief inspector, Judge Stephen Tumim, wrote that life at Manchester was 'a great deal nearer what it should be, both for staff and inmates, than it was some two years ago'. There was much more to praise than to decry in the establishment, he concluded.

A new hospital was opened in the prison in 1989 and the first 28 cells have been fitted with integral sanitation as part of a rolling programme. The number of prisoners held three to a cell fell by over 300 to 123 out of a total population of over 1,600 in 1989.

Over the last ten years in England and Wales there has been an increase of 46 per cent in the number of prison staff, compared with an increase of 11 per cent in the number of prisoners. Moreover, in the past year there has been a noticeable drop in the prison population; in April 1990 this was some 46,000, compared with 49,250 at the end of March 1989. The courts, for example, are sending fewer young adults to prison; during the year ended June 1989, the number of 17- to 20-year-olds given custodial sentences fell from around 21,000 to 14,000. The Government has also set out policy proposals designed to reduce the use of custody and to supervise and punish offenders in the community (see pp 53-9).

Expenditure on prison building has risen by 100 per cent in real terms in the last ten years. Under this programme eight new establishments have opened with over 3,500 places, and 14 are at various stages of construction.

High priority is being given to ensuring that all prisoners have access to sanitation. All prisons built or designed since 1979 have either integral sanitation or free access to sanitation. About 50 per cent of existing accommodation has access to night sanitation. Following a report by the Inspectorate recommending that access to sanitation should be provided at all times for inmates, the Government announced in February 1989 that the total number of places without access to sanitation would be reduced from 50 per cent to 13 per cent by the end of the 1990s. This programme has now started.

On 17 May the Government announced that the Manchester prison would be redeveloped at a cost of £60 million. Under these plans the prison would provide accommodation for 200 inmates within six months, for over 300 within a year and for almost 1,000 within three years; integral sanitation would be installed.

Human Fertilisation and Embryology Bill

The Human Fertilisation and Embryology Bill, which received an unopposed second reading in the House of Commons on 2 April, sets out a legal framework for scientific developments in human reproduction and the study of embryos.

Following the second reading, Members of Parlia-

ment were given a free vote on two matters of conscience arising from the Bill: on 23 April a Committee of the whole House voted to reject an amendment prohibiting embryo research; on 24 April it voted in favour of introducing an amendment which would reduce the normal time limit for abortions from the twenty-eighth week to the twenty-fourth week of pregnancy.

The Bill, which has already completed its passage in the House of Lords, would introduce statutory control of certain infertility treatments and embryo research, would regulate the storage of gametes (reproductive cells, such as spermatozoons or ovums, that can undergo fertilisation) and embryos, and would prohibit certain unacceptable research activities. It would also provide for the status of children born as a result of gamete or embryo donation, and would clarify the position on surrogacy.

Background

The birth of the world's first 'test-tube baby' in Britain in 1978, which involved the technique of in vitro fertilisation (IVF), highlighted the existence of new possibilities of alleviating infertility and furthering research in the science of embryology; at the same time it gave rise to unease at the apparently uncontrolled advances of science and the new scope for manipulating the early stages of human development.

In response to this concern, a committee of inquiry was established in 1982 under Baroness Warnock to examine the social, ethical and legal implications of developments in this field. The committee's report in 1984 (see pp 323-5, 1984) concluded that certain specialised forms of infertility treatment, including artificial insemination by donor (AID) and IVF, were ethically acceptable, but that surrogate motherhood (the practice whereby one woman bears a child for another) organised by agencies should be prohibited; that research on human embryos was acceptable, but only up to the fourteenth day after fertilisation; and that a licensing authority should be established to regulate infertility services and research. In 1985 an interim licensing authority, sponsored by the Medical Research Council and the Royal College of Obstetricians and Gynaecologists, began work at the Government's request. Legislation to ban commercial surrogacy agencies, and advertising of or for surrogacy services, was passed in 1985 (see p 165, 1985), and in 1987 the Government published a White Paper, *Human Fertilisation and Embryology: A Framework for Legislation* (see pp 28-9, 1988). This contained proposals for implementing the main recommendations of the Warnock report, including setting up a licensing authority to regulate certain infertility treatments and giving Parliament a free vote on whether to ban human embryo research or to allow it under strict controls. The Bill gives effect to these proposals.

Main Provisions

Human Fertilisation and Embryology Authority

A Human Fertilisation and Embryology Authority, whose powers would extend throughout Britain, would be established to control and license centres providing IVF, AID, egg and embryo donation and, subject to the decision of Parliament (see p 193), centres undertaking embryo research. The creation, storage and use of human embryos outside the body without a licence from the Authority would be prohibited. The Authority would be responsible for the regulation and disposal of gametes and embryos, and the prohibition of unacceptable research developments, such as cloning and the creation of hybrids.

It would be responsible for preparing a code of practice which would be agreed with ministers and placed before Parliament (it is intended that this would cover, among other things, counselling of patients and donors, confidentiality of records, collection of data and the welfare of children who might be born as a result of treatments licensed by the Bill). The Authority would also have the function of advising ministers about new developments concerning infertility and embryology, and would report annually to Parliament. Its chairman and deputy chairman would be lay people who were neither doctors nor professionals involved in embryo research; of the remaining membership a majority of up to two-thirds would be lay people.

Embryo Research

Embryo research would be permitted in specified circumstances (see p 193).

Status of Children Born as a Result of the New Treatments

Those born as a result of the techniques to be licensed by the Bill would have a legal right to know that they were born following donation and, if over 18, to obtain certain non-identifying information about the donor.

Provision would also be made for the legal status and registration of children born as a result of IVF and techniques involving donation. A child born to a married woman as a result of AID would be treated as a child of the woman's husband; where an unmarried couple was treated together, the man would be regarded as the father and would be required to undertake full responsibilities, especially that of maintenance, for the child.

Surrogate Motherhood

There would be clarification of the legal position on surrogacy. It would be made clear that contracts drawn up as part of a surrogacy arrangement would not be legally enforceable.

Counselling

Counselling services would be provided for people undergoing treatment for infertility and for donors.

PARLIAMENTARY DEBATES

Secretary of State's Speech

Moving the second reading of the Bill in the House of Commons on 2 April (*Hansard*, Vol 170, No 84, cols 914-1005), the Secretary of State for Health, Mr Kenneth Clarke, described the proposed legislation as one of the most significant measures to be brought forward in the last 20 years, since it dealt with matters which were fundamental to the well-being of society.

The Bill, said Mr Clarke, represented the culmina-

tion of a long period of public debate and reflection, and closely followed the policy set out in the 1987 White Paper. The Bill was being presented for the most part as a government measure, with ministers speaking for the Government in their ministerial capacity on the majority of issues. However, in the case of embryo research the Government intended to allow a free vote at a later stage to all those taking its whip and to members of the Government; the other main parties also regarded it as a matter of individual conscience. The Government's role in the debate would be to provide factual information in as neutral and objective a way as possible and to ensure that, whatever the decision of the House should be, the resultant legislation was practicable and effective to administer.

Mr Clarke said that he hoped that the public attention given to the issues covered by the Bill in recent years would promote a greater understanding of the unhappiness and stress caused by childlessness. About one in ten couples were thought to be infertile, and it was a legitimate medical and scientific activity to enable them to satisfy the objective of having families of their own. The Bill represented the first comprehensive measure dealing with all the issues addressed by the Warnock committee, concerning the legal, social and ethical implications of new methods of assisted reproduction, to be attempted anywhere in the world. The Government considered legislation necessary because no statutory regulation of the treatments and research existed, and there seemed to be universal support for the need to provide a clear and comprehensive system of statutory control. There were very few examples in Britain of the statutory regulation of medical activities; the Bill represented the first attempt to regulate medical treatment as such, a sign of the particular seriousness of the issues.

It was widely agreed, stated Mr Clarke, that the present legal position was totally unsatisfactory; there was no express legal prohibition of embryo research and therefore it was open to researchers to form their own personal judgment on the stage of development at which research should cease and on the purpose of that research.

The second main reason for the Bill was the lack of any adequate statutory framework to cover the status and legal position of children born as a result of treatments licensed under the Bill.

The Secretary of State noted that the principal consideration of those who opposed embryo research was that any embryo was a potential human being with the prospect of life and that research could not be allowed as it affected the rights of the embryo. On the other hand there was a broad consensus among medical and scientific opinion that such research should be permitted; those carrying out the research were content with the 14-day limit, as at that stage the first clear signs of an individual person emerged.

There were five main purposes for which it was argued that research involving human embryos was medically essential and ethically justified: to promote advances in the treatment of infertility; to increase knowledge about the causes of congenital disease; to increase knowledge about the causes of miscarriage; to develop more effective techniques of contraception; and to develop methods of detecting the presence of gene or chromosome abnormalities in embryos before implantation. It was believed that this last technique could take embryo research beyond the treatment of infertility and into the prevention of inherited genetic diseases, such as muscular dystrophy and cystic fibrosis.

Mr Clarke said that if the legislation were enacted, it was intended that the Human Fertilisation and Embryology Authority would assume its full powers as soon as possible, preferably by the summer of 1991.

Committee Stage Amendments

Following the second reading of the Bill, the House voted in favour of referring the issues of embryo research and time limits on abortion to a Committee of the whole House. (This is the entire House of Commons sitting under another name, an occasional procedure for Bills of constitutional importance or matters of conscience where it would be impossible for debates and votes in Standing Committee to reflect adequately the range and balance of opinions in the House as a whole.)

Embryo Research

On 23 April the House in Committee voted by 364 votes to 193 to reject an amendment which would have outlawed embryo research. Following a further vote, the clause allowing embryo research for up to 14 days after fertilisation was retained (*Hansard*, Vol 171, Nos 91-2, cols 31-133).

Time Limit on Abortions

On 24 April the House in Committee voted by 409 votes to 152 to add a clause to the Bill which would reduce the time limit on abortions from the twenty-eighth week of pregnancy to the twenty-fourth week (*Hansard*, Vol 171, No 92, cols 166-304). Under the new clause, which was further amended, a time limit of 28 weeks would continue to apply if there was a substantial risk of the child being born with physical or mental abnormalities that would leave it seriously handicapped; there would be no time limit if the continuance of the pregnancy involved greater risk to the life of the pregnant woman than if the pregnancy were terminated.

The present law on abortion – the Abortion Act 1967 – which applies in England, Wales and Scotland, does not include specific time limits but is linked with the Infant Life (Preservation) Act 1929 which makes it a criminal offence to destroy the life of a child capable of being born alive, except where it is done to save the woman's life. The 1929 Act presumes that a woman who has been pregnant for 28 weeks should be considered to have a child capable of being born alive. The new clause in the Human Fertilisation and Embryology Bill would introduce a reference to time limits into the Abortion Act for the first time.

Summing up the debate on the clause, Mr Clarke said that the current position of the law on the termination of pregnancy was unsatisfactory. In 1985 a working party of the Royal College of Obstetricians and Gynaecologists had said that in practice 24 weeks was a much better guide which doctors should use when considering whether a baby could be born alive. In his view a limited change in the law to reflect the consensus of medical opinion would improve the 1967 Act.

Shorter Notes

GOVERNMENT FUNDING OF THE VOLUNTARY SECTOR

The publication of the report of the Efficiency Scrutiny of Government Funding for the Voluntary Sector (see p 260, 1989) was announced by the Home Secretary, Mr David Waddington, in the House of Commons on 4 April. Noting that the Government's support for the voluntary sector exceeded £2,000 million in 1988-89 and that the Government valued highly the great contribution made by voluntary bodies, Mr Waddington said that the report provided a basis for improving arrangements to ensure that the money was used efficiently and for good purposes. The Government would continue to provide funding for efficiently managed voluntary organisations which provided worthwhile services, but such bodies would be encouraged to raise more money from private and corporate donations.

Mr Waddington said that government funding would be governed by a number of principles:

– Organisations which could achieve a direct practical effect would be supported: for example, those assisting disabled people, improving the environment, or providing skills for the unemployed.

– Projects and bodies should uphold accepted ethical standards: for example, support for family life.

– Support for voluntary bodies should help to achieve the overall policies of government departments.

– The extent to which voluntary bodies used or encouraged volunteers should be taken into account, as the opportunity to make an active contribution to the life of the community was regarded by the Government as one of the voluntary bodies' important strengths.

– Any campaigning in which voluntary bodies engaged should be ancillary to their objectives, as required by charity law.

– Government funding would normally be for specific services or for projects limited to a particular period and would be subject to review.

– Government departments would monitor the results obtained from their funding and would have regard to the efficiency with which a body was administered and the cost of its administration.

In the light of these principles, he concluded, government departments would prepare action plans which would be considered by the Ministerial Group on the Voluntary Sector.

Sources: *Hansard*, Vol 170, No 87, written answers, col 639; *Efficiency Scrutiny of Government Funding for the Voluntary Sector*. HMSO, £10·95. ISBN 0 11 340978 8.

YOUTH SERVICE

Changes in the arrangements for funding the five national youth service bodies were announced by the Secretary of State for Education and Science, Mr John MacGregor, on 5 April. From 1 April 1991, funding for the five bodies (the National Youth Bureau; the Council for Education and Training in Youth and Community Work; the National Council for Voluntary Youth Services; the National Association of Young People's Counselling and Advisory Services; and the British Youth Council) will be channelled through a single National Youth Agency.

The Secretary of State said that the Agency would work with both the voluntary and the local authority sectors of the youth service, and would direct its funds towards the development of curricular content and methods, especially in advice and counselling; the development, endorsement, accreditation and, where necessary, the provision of youth worker training; and the collection, dissemination and publication of information. Other functions would include support for managers of youth service organisations and operations, particularly in the voluntary sector, including management training; response to international interests and programmes; and direct support for government initiatives in these areas. It would be open to other government departments and agencies to support similar work through the Agency in their particular areas of responsibility.

Mr MacGregor emphasised the need for the National Youth Agency to be responsive to the needs of the voluntary sector, and said that he would require the Director of the proposed agency to report to him annually, to ensure that an effective partnership between the voluntary sector and the local authority sector was being maintained. The Agency should promote the active participation of young people and seek to secure private sponsorship and other ways to increase its income from non-government sources.

Should the National Council for Voluntary Youth Services, the National Association of Young People's Counselling and Advisory Services or the British Youth Council consider it necessary, Mr MacGregor said that he would be prepared to explore the possibility of allowing them to compete for limited funding for eligible programmes of work outside the scope of the National Youth Agency.

Department of Education and Science grant aid for the five bodies totalled over £1 million in 1989-90; the National Youth Bureau also receives some funding from other government departments, such as the Home Office and the Department of Health. The Department of Education and Science's total youth service budget for 1989-90 was £4·6 million, including a total of £2 million in grant to about 70 national voluntary youth organisations.

Sources: *Hansard*, Vol 170, No 87, written answers, cols 731-2; Department of Education and Science news release, 5.4.90.

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